**HER MAJESTY’S GOVERNMENT**

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

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THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT


SIXTY-SIXTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES
VOLUME 623
THIRTEENTH VOLUME OF SESSION 2016-2017

House of Commons
Monday 13 March 2017

The House met at half-past Two o’clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Service Family Accommodation

1. Liz McInnes (Heywood and Middleton) (Lab): What steps his Department is taking to improve standards in service family accommodation. [909186]

Mark Lancaster: I can, but equally I am confident that, after the Secretary of State’s intervention last year with CarillionAmey and the introduction of the get well plan, we have seen a significant improvement in satisfaction. That might not yet have filtered down into the survey, but recent stats show that the satisfaction rate on the service from CarillionAmey has risen from 40% to 61%. We take this matter very seriously, which is why I am keeping a close eye on it and am determined that the services standard should continue to improve.

Sir Julian Brazier (Canterbury) (Con): I congratulate my hon. Friend on the progress that has been made on the CarillionAmey contract. However, does he agree that continuing to have service family accommodation—the patch, as it is affectionately called—is critical in providing a supportive arrangement for families when their loved ones are away on operations or indeed extended exercises?

Mark Lancaster: What our families really want is choice and support, but I can say to my hon. Friend that only recently I visited Salisbury plain and saw in Tidworth, Larkhill and elsewhere some 1,000 brand-new service family accommodation homes being built, so we take the matter very seriously. I am confident that SFA, as it is referred to, will continue to be provided, and some of those homes really are of an absolute first-rate standard. However, this is about trying to support the modern lifestyle of our service families and the way in which they work.

Liz McInnes: I thank the Minister for that response, but the armed forces continuous attitude survey in 2016 showed a significant drop in satisfaction among those living in service family accommodation—there was a decrease of seven percentage points, to just 50%. Can he assure the House that a further drop in satisfaction will lead to urgent action by the Department?

21. Dan Jarvis (Barnsley Central) (Lab): A recent Army Families Federation survey on the future of military housing showed that if SFA were reduced in favour of a rental allowance, 30% of those surveyed would definitely leave the Army and a further 46% would consider leaving. What does the Minister think the Government’s future accommodation model will do for retention rates?

Mark Lancaster: As I say, it is all about choice. If the hon. Gentleman looks at that survey, he will see that the overwhelming number of young soldiers, sailors and
Mark Lancaster: The driver, of course, for the better defence estate strategy is military capability, but it is important that we have good-quality accommodation. As the hon. Gentleman knows, units will be relocated in his part of the world, and we will look carefully at that.

NATO

2. Caroline Ansell (Eastbourne) (Con): What recent discussions he has had with his US counterpart on NATO modernisation.

The Secretary of State for Defence (Sir Michael Fallon): I regularly discuss the need to reform NATO with my counterparts, including the new US Secretary of Defence, James Mattis, whom I met at the NATO defence ministerial meeting last month. We want NATO to become a genuinely adaptable alliance that is less bureaucratic, faster and better at making decisions, and able to respond more effectively to a wide range of threats, including cyber, hybrid, and international terrorism.

Caroline Ansell: I thank the Secretary of State for his response. With NATO’s operation in Afghanistan still its most significant, will my right hon. Friend join me in paying tribute to all those who have served? Does he agree that this underlines that NATO has the capability to combat terror and that it will need to do that more?

Sir Michael Fallon: We remember the service and sacrifice of those who fought terrorism in Afghanistan. Our long-term commitment as part of NATO’s Resolute Support mission remains crucial in helping to build the capacity of the Afghan security forces to defend their country. As my hon. Friend implies, it is NATO that has the mandate, the operational experience and the tools to help the fight against international terrorism, and we will continue to push NATO to do more in the middle east and north Africa.

Derek Twigg (Halton) (Lab): When the Secretary of State had discussions with his US counterparts, did he talk about NATO’s capability to deal with any threat from Russia in the Baltics and elsewhere?

Sir Michael Fallon: This is the year in which NATO is deploying its enhanced forward presence. I am proud that Britain is leading that deployment in Estonia. The first wave of our troops will leave for Estonia this week, and we will also be deploying in Poland and Romania. The best way to reassure our NATO allies and to deter any Russian aggression is for NATO to stand up.

Richard Benyon (Newbury) (Con): It was made clear to us in a recent meeting of the NATO Parliamentary Assembly that NATO still has a lot of allies on the hill—on both sides of Congress. Does my right hon. Friend agree that we need to help them to continue to make their case by Europe stepping up to its commitment to spend at least 2% of GDP on defence?

Sir Michael Fallon: Absolutely. We all made that commitment—the United States, ourselves and the rest of NATO—back at the Wales summit two and a half years ago. We meet the NATO spending target, and we continue to press our other allies to step up to the plate and do so, too.
Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I push the Secretary of State to tell the House what the Americans are saying about what size NATO should be? That is about not just the percentage of GDP, but how big NATO should be, how that compares with the strength of the Russians, and what we would do if the Russians invaded across some of the countries of Europe.

Mr Speaker: There were three questions, to be responded to with the legendary pithiness of the Secretary of State.

Sir Michael Fallon: The purpose of the alliance is defensive. Of course, the Americans want all its members to make a fairer contribution to its overall standing. The collective nature of our defence has been underlined by the fact that article 5 has been invoked only once before, in favour of the United States.

Armed Forces Covenant

3. Simon Danczuk (Rochdale) (Ind): What steps his Department is taking to ensure the effective delivery of the armed forces covenant. [909188]

15. Holly Lynch (Halifax) (Lab): What steps his Department is taking to ensure the effective delivery of the armed forces covenant. [909200]

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): The 2016 covenant annual report clearly demonstrates the progress that has been made since the covenant was enshrined in law. Today, I am pleased to announce a new initiative by the main broadband providers: personnel posted to a location not covered by their current provider can now cancel their broadband without incurring any additional fees. I thank BT, EE, Plusnet, TalkTalk, Sky and Virgin Media for their support.

Simon Danczuk: Councillor McCarthy and Rochdale Council go above and beyond when it comes to delivering the armed forces covenant. This includes having a dedicated council officer—Caen Matthews, a former veteran himself—to ensure that those who fought for our country are properly looked after in our town. Will the Minister congratulate Rochdale Council on its success, and will he encourage other councils to follow suit?

Mark Lancaster: I heartily congratulate all those at Rochdale Borough Council—and, indeed, the hon. Gentleman—and thank them for their efforts. They have introduced measures that make a real difference to the armed forces community, ranging from providing practical support to members of our ex-services community seeking social housing to the naming of streets in recognition of local armed forces heroes. I commend the council’s good example to colleagues across the country and wish it well with its continuing work in support of the covenant.

Holly Lynch: Some amazing work is undertaken by the British Legion and other charities in my constituency and across the UK, but the head of SSAFA, the Armed Forces Charity, has recently warned that the “Armed Forces Covenant lacks bite”.

Many local authorities seem to feel that complying with the covenant is an option rather than an obligation. Will the Minister tell us what the Government are doing to reinforce the message of just how essential the covenant is?

Mark Lancaster: I think that there is an acceptance across the House of just how important the covenant is, and I am delighted that every local authority in Great Britain and four in Northern Ireland—has now signed it. Last year, we sent out a survey to try to establish best practice, and we are now moving on to the next stage, in which we will look carefully at those local authorities and other organisations that are not doing what they said they would do, and encourage them to remedy that. Ultimately we could revoke the agreement with them, but I would like to think that we would never get to that stage.

Mr Mark Francois (Rayleigh and Wickford) (Con): Will the Minister say a bit more about the corporate covenant—the business element of the covenant through which many companies make contributions to help service families and personnel? There has been quite a lot of success in that area.

Mark Lancaster: There has. As my right hon. Friend knows, we have now combined the community covenant and the corporate covenant into the armed forces covenant. I hope that some 1,500 businesses will have signed the covenant by later this week, and that is a testament to British business. It also illustrates the fact that this is a two-way deal, in that the skill sets that we give to our armed forces personnel will ultimately help our businesses as well.

Robert Courts (Witney) (Con): Will the Minister please tell the House how the Department will spend the savings made through the cancellation of the e-bluey contract to improve communications for serving personnel?

Mark Lancaster: Since its peak, the use of e-blueys has reduced by some 98%, meaning that an e-bluey can sometimes cost £17. The service will cease from 1 April, but all the money saved will be reinvested, and there is now nowhere overseas that does not have access to the internet. However, we are looking carefully at this to ensure that nobody will be disadvantaged when the new service is introduced.

Gavin Robinson (Belfast East) (DUP): During a recent sitting of the Defence Committee, I shared with the Minister correspondence from the then Health Minister sitting of the Defence Committee, I shared with the House of just how important the covenant in Northern Ireland, now the leader of Sinn Féin, who pointedly said: “the Armed Forces Covenant is not in place here”.

What advice and guidance can the Minister give in the face of such intransigence?

Mark Lancaster: We all understand that the armed forces covenant applies throughout the United Kingdom. I appreciate that there are specific challenges in Northern Ireland, and I have already said that I intend to make that a priority for this year. To that end, I shall be visiting Northern Ireland shortly.
Royal Navy

4. Oliver Colvile (Plymouth, Sutton and Devonport) (Con): What operations the Royal Navy is currently engaged in. [909189]

The Minister for the Armed Forces (Mike Penning): In this year of the Royal Navy, the service is deployed at home and around the globe 365 days a year, protecting national interests and promoting our prosperity. Whether maintaining our continuous at-sea deterrent, providing reassurance to British overseas territories or conducting counter-piracy and counter-narcotics patrols, we will be there when we are needed.

Oliver Colvile: Given that the Ministry of Defence has confirmed that Plymouth will be the centre for the Royal Marines, has my right hon. Friend considered base-porting all the Type 23s in Devonport?

Mike Penning: We will look carefully at this as the new ships come on stream and as we spend £63 billion on the Royal Navy in the next few years. We will ensure that Devonport gets a very good look-in.

Mr Kevan Jones (North Durham) (Lab): I am not sure whether the Minister mentioned this, but one of the Royal Navy’s key roles is to meet NATO commitments to protect not just this country but our allies. In that context, will he say whether the new Type 31 frigate will actually be able to meet those NATO commitments?

Mike Penning: I am sure that, when the Type 23 frigate comes in, it certainly will—[Interuption.] / Type 31; I apologise. We have extensive NATO commitments around the world: HMS Ocean is just returning from six months in the Gulf and will be in Gibraltar soon; and HMS Daring is down off the strait of Hormuz. As for HMS Dragon, I was woken in the early hours because one of our civilian yachts was in distress with a crew of 14, some of whom were injured, and that Type 45 sailed 500 miles to rescue them. That is exactly what our Navy is for.

Mr Kevan Jones: Given that it is time for the Scottish people to take decisions on how to defend their country?

Mike Penning: If the Scottish people want their armed forces to be run down and demoralised, they should listen to what the hon. Gentleman just said.

Dr Andrew Murrison (South West Wiltshire) (Con): The Royal Navy has run EUNAVFOR Operation Atalanta successfully for many years. Does my right hon. Friend agree that we should continue to usefully co-operate with our European neighbours on such things after we leave the European Union?

Mike Penning: We are leaving the European Union; we are not leaving Europe. We will continue to consider all the work that we can do with our European friends.

Brendan O’Hara (Argyll and Bute) (SNP): Last week, there were reports of increased activity in the number of ships moving unchecked through UK waters having deliberately deactivated their tracking system. On one occasion, a Cypriot ship called in at Algeria and then moored off the coast of Islay in my constituency. With that increased level of suspicious activity and Scotland’s proximity to the high north and Arctic, does the Minister believe that a sufficient number of large surface ships are based in Scotland to meet that threat?

Mike Penning: The ships do not have to be based in Scotland—even though an extensive number of ships are based in Scotland—to protect Scotland and the United Kingdom. They are at sea, where they are doing exactly what they should be doing.

Brendan O’Hara: How can the Minister say that ships do not need to be based in Scotland when the world’s hotspot is the high north and Arctic? Let me ask this again: does the Minister think that having no large Royal Navy surface ships based in Scotland is the best way to protect Scotland, and to meet our obligations to our Nordic neighbours and allies in the high north?
Mike Penning: All our submarines, including those with the nuclear deterrent, which the Scottish National party wants to get rid of, are based in Scotland. Ships at sea is what we need, not ships hiding in ports.

Veterans: Civilian Workforce

5. Chi Onwurah (Newcastle upon Tyne Central) (Lab): What assessment he has made of the adequacy of support available to veterans entering the civilian workforce.

Mark Lancaster: The Department’s career transition partnership provides a robust and effective system to support service personnel entering the civilian workforce. The CTP provides one-to-one advice and guidance, and training and employment opportunities to about 15,000 service personnel each year.

Chi Onwurah: It is entirely unacceptable that the unemployment rate for veterans should be a third higher than that for non-veterans. Service personnel have told me that they might find it difficult to translate their important experience on the battlefield into the softer skills that industry requires today, such as teamwork, management and communication skills. What is the Minister specifically doing to address that point?

Mark Lancaster: I have no idea where the hon. Lady gets her facts from and I am slightly worried that we seem to be talking veterans down again. As a result of the CTP, some 85% of our service personnel find employment within six months—some 10% higher than the figure for the UK population as a whole.

Andrew Stephenson (Pendle) (Con): Service leavers have been highly trained and possess highly transferable skills which add value to any company in the civilian world. What more can be done to ensure that civilian employers understand the value of former service personnel?

Mark Lancaster: This is exactly where the armed forces covenant comes in and it shows why we must be so careful in this House when we seem determined sometimes to talk our veterans down. The sorts of skill sets that they can bring to civil companies are very valuable, and this is something we absolutely enforce now that some 95% of our recruits join an apprenticeship scheme.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): Our veterans are some of the most hard-working, dedicated and experienced men and women any employer could ask for, yet many of us have heard troubling stories of discrimination against former servicemen and women in the jobs market. Does the Minister agree with the Labour party that we should act to make discrimination against the forces community illegal, in order to protect our veterans and service personnel from any prejudice they may face?

Mark Lancaster: I welcome the hon. Gentleman to the Dispatch Box, and could not agree more with his opening comments—perhaps he needs to educate some of his colleagues about that. This is precisely why we have the armed forces covenant. At this early stage, we are trying through that mechanism to ensure that the value of our veterans is fully understood by wider society.

NATO Spending Target

6. Nigel Huddleston (Mid Worcestershire) (Con): What recent discussions he has had with his international counterparts on NATO’s 2% GDP spending target.

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): Ministers have regular discussions with international counterparts on NATO’s 2% of GDP spending target. It is important that all NATO allies meet the 2% commitment they made at the Wales summit in 2014.

Nigel Huddleston: Will the Minister name which NATO allies do not currently spend 2% of GDP on defence? What reasons or excuses have they given for that?

Mr Speaker: Subject to the constraints of brevity, Minister.

Harriett Baldwin: Listing the 23 that do not spend 2% would take too long, but I reassure my hon. Friend that the five that do meet the target are the United States, the UK, Poland, Greece and Estonia. I am sure he can deduce from that the absentees.

Andrew Stephenson: I reassure my hon. Friend that there are further countries are now on a clear trajectory to meet that target, and Ministers from across all Departments continue to have discussions to encourage them to reach it.

25. Mr Peter Bone (Wellingborough) (Con): I dissociate myself from the remarks made by the hon. Member for Bridgend (Mrs Moon); that was an extraordinary statement about Germany.

Since you have been here, Mr Speaker, how many Ministers have come to the Dispatch Box to say exactly the same thing—that we are encouraging other NATO members to meet the target? Some of our European counterparts take the whole thing for granted in the knowledge that we and the Americans pick up the bill. What are we actually going to do about it to get them to pay what they should pay?

Harriett Baldwin: I reassure my hon. Friend that there has been progress. Five countries now meet the 2% target, up from three in 2014: 10 countries now meet the 20% pledge on major equipment and research; and the
cuts to defence spending overall have been halted. I am sure, though, that everyone would agree with the sentiment he expressed: we cannot reiterate too often that we hope everyone will reach the 2% pledge soon.

Fabian Hamilton (Leeds North East) (Lab): Last month, the International Institute for Strategic Studies concluded that the Government have in fact missed the 2% NATO defence spending target, and that they would have missed it by even more had they not included budgetary headings such as pensions, which do not contribute to our defence capabilities and were not included when Labour was in government. Is it not time that we went back to the criteria used for defence spending when the Labour party was in power so that we may give our armed forces the resources they need?

Harriett Baldwin: Well, honestly, I wonder whether the hon. Gentleman has read the Defence Committee’s report, which “commends the UK Government’s commitment to UK defence and finds that its accounting criteria fall firmly within existing NATO guidelines”— as does NATO itself. It would be worrying if we were to follow his party leader, who wants to see cuts to defence spending, the abandonment of our NATO allies and the scrapping of the nuclear deterrent.

Dr Julian Lewis (New Forest East) (Con): May I helpfully suggest to the Minister that one way she could avoid these arguments about whether we have or have not scraped over the 2% line is to recognise that the last time we faced threats like those we face today was the 1980s, when we used to spend between 4.5% and 5% of GDP on defence? Let us settle for 3% so that we can avoid this sort of argument.

Harriett Baldwin: I appreciate my right hon. Friend’s campaign. We are proud of the fact that we are spending substantially more than the 2% target; that we have a growing defence budget for the first time in many years; and that we are on track to have a £178 billion equipment plan over the next decade.

Daesh

7. Wendy Morton (Aldridge-Brownhills) (Con): What recent assessment he has made of progress in the international campaign to tackle Daesh.

14. Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): What recent progress has been made on the international campaign against Daesh.

18. David Mackintosh (Northampton South) (Con): What recent assessment he has made of progress in the international campaign to tackle Daesh.

The Secretary of State for Defence (Sir Michael Fallon):

Iraqi forces continue to make good progress against Daesh. East Mosul was freed in January; west Mosul operations are on track. Yesterday, RAF Typhoons supported the Iraqi forces in Mosul by demolishing a Daesh base. Syrian Democratic Forces are less than 10 km from Daesh’s stronghold in Raqqa, backed by RAF strikes, including one yesterday on a large Daesh headquarters.

Wendy Morton: Given the growing success in Iraq, will my right hon. Friend confirm that British forces and the coalition will continue to maintain pressure on Daesh in Syria and develop plans to liberate its other HQ in Raqqa?

Sir Michael Fallon: Yes, we need to keep up the pressure on both. With coalition help, Syrian Democratic Forces are making good progress in operations to isolate Raqqa. Senior coalition officers, including some from the UK, are now working on how the coalition might best support the liberation of Raqqa. They are visiting coalition sites in northern Syria as needed to co-ordinate coalition support and to engage partner forces.

Ms Ahmed-Sheikh: There have been recent reports from Iraq of mass graves being uncovered in territory formerly held by Daesh, including the discovery of 4,000 bodies at al-Khasfa, near Mosul. What support is the Ministry of Defence offering the Iraqi Government to ensure that the foul perpetrators are brought to justice swiftly?

Sir Michael Fallon: Yes, in the counter-Daesh coalition we are working to see how we can accumulate the evidence so that those from Daesh who may have committed the most heinous of crimes can properly be brought to justice, either in Iraq or, indeed, elsewhere.

David Mackintosh: Will my right hon. Friend update the House on how the coalition is monitoring the dispersal of Daesh fighters from Iraq who may be moving to other theatres?

Sir Michael Fallon: We work with other countries in the region to co-ordinate efforts to manage the threat posed by the dispersal of foreign fighters from Iraq and Syria. Around 30,000 to 40,000 extremists from around the world have travelled to Syria and Iraq since 2011. Many will be killed in combat or will relocate to other Daesh-held areas. Our current assessment is that a large-scale dispersal is unlikely.

20. [09205] Callum McCaig (Aberdeen South) (SNP): Independent monitors report that this month, in the space of one week, the international coalition killed as many as 370 civilians in air strikes in Mosul. Has the Secretary of State investigated those claims, and what assurances can he give us that UK air strikes will not involve civilian deaths in Mosul?

Sir Michael Fallon: Let me make it very clear that the Royal Air Force, in its precision air strikes, makes every effort to minimise the risk of civilian casualties. We work very closely with organisations such as Airwars. Where there are allegations that civilians have died as a result of coalition air strikes, we want those allegations fully investigated.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will my right hon. Friend reassure the House that we are doing everything possible to help local indigenous forces on the ground with the liberation of Mosul and the defeat of Daesh, not only in relation to equipment and ammunition, but with regard to access to medical care, protective equipment such as helmets and body armour, and getting the right supplies and expertise for their wounded?
Sir Michael Fallon: Let me give my hon. Friend that assurance. I am proud that British forces have trained nearly 40,000 Iraqi and Kurdish troops over the past couple of years. Much of that training has been devoted to reducing the number of casualties that those troops are likely to have to face in operations in the Euphrates river valley and operations to liberate Mosul, and is exactly along the lines that he suggests.

Ruth Smeeth (Stoke-on-Trent North) (Lab): We have obviously seen significant success in Mosul in recent months, and I am sure that the whole House joins me in sending our prayers and gratitude to those serving in our forces, but can you tell us what lessons we are learning from our success in Mosul, so that we can apply them effectively to the battle in Raqqah?

Mr Speaker: I cannot, but hopefully the Secretary of State can.

Sir Michael Fallon: I shall do my best, Mr Speaker. The campaign in Mosul is particularly complicated. West Mosul, in particular, is a very densely urban area—it is twice the density of east Mosul—so precision strikes in support of ground forces are all the more difficult for coalition aircraft, but as the campaign goes on, the use of precision air power and the training that the Iraqi forces have received make it more and more likely that they will, in the end, be successful, both in Iraq and, later on, in Syria.

Sir Desmond Swayne (New Forest West) (Con): What can be done to ensure that liberated Sunni communities can be embraced by the political economy of Iraq?

Sir Michael Fallon: My right hon. Friend is absolutely right that we need to stabilise these areas as quickly as possible—again, not simply by giving them access to essential services, but by encouraging a process of political reconciliation that ensures that in the Sunni areas, particularly in the Nineveh and Anbar provinces, the Sunnis feel that they have a sufficient stake in the future development of Iraq. I have made that point to the Prime Minister of Iraq and its President, and to the coalition commanders.

Tom Brake (Carshalton and Wallington) (LD): Have the UK Government received any requests from their allies in the fight against Daesh to deploy ground troops in and around Raqqa? Can the Secretary of State confirm that, if that request came in, Parliament would have an opportunity to vote on the matter?

Sir Michael Fallon: I have been clear with the House that we are not committing combat troops to Syria. I referred to the presence there of some coalition commanders, who have been assessing the situation on the ground, but we are not committing combat troops to the fight in Syria, and if we were to do so, of course we would come back to Parliament.

Stephen Crabb (Preseli Pembrokeshire) (Con): Will my right hon. Friend confirm the importance that we place on our defence co-operation with the Egyptian Government, and pledge further support to Egypt as it seeks to contain the Daesh threat in north Africa and Sinai?

Sir Michael Fallon: Yes, I can confirm that. I met General Hegazy, the chief of the defence staff of Egypt, on his recent visit to this country. Of course, Egypt has a big part to play in ensuring that the different factions and loyalties in Libya can be brought together for a political settlement in that country.

Nia Griffith (Llanelli) (Lab): On my recent visit to Cyprus, I was privileged to meet the dedicated RAF crews who work night and day to keep up the fight against Daesh in Iraq and Syria. I am concerned that there is currently no specific medal to recognise the dedication and bravery of the servicemen and women on Operation Shader. In doing their duty, these men and women are protecting UK citizens from the threat posed by Daesh as well as defending civilians in the region. Will the Secretary of State now commit to recognising their service with a specific Operation Shader medal?

Sir Michael Fallon: I am glad that the hon. Lady had a successful visit to our forces in Cyprus. I am sure that the whole House will join her in recognising and thanking our brave servicemen and women, who have contributed tirelessly to this campaign for more than two and a half years. The operational recognition board at our permanent joint headquarters is keeping the issue of the medal under review. As soon as a decision is made on the appropriate medallie recognition for Operation Shader, an announcement will be made to this House.

Nia Griffith: I thank the Secretary of State for his answer. It is heartening to see the real progress that is being made to liberate Mosul and the role that our forces are playing in that, and yet we know that it is only part of a wider campaign to eradicate Daesh in the region. As the focus will soon turn to Syria, where there are considerably greater challenges, will he tell us in greater detail what role he expects the RAF to play in the battle for Raqqah and other Daesh strongholds?

Sir Michael Fallon: It is important to recognise that Daesh has lost a considerable amount of territory in Syria as well as in Iraq, not least due to the efforts of the coalition air operation in which the RAF is playing a major part in gathering intelligence and carrying out precision strikes, as recently as yesterday in the area immediately surrounding Raqqah. We will continue to play that part, providing precision air strikes, gathering intelligence from the air and doing what we can to ensure that Daesh is driven out of Syria, as I hope it will shortly be driven out of Iraq.

Royal Navy: UK Economic Interests

8. Michael Fabricant (Lichfield) (Con): What international operations the Royal Navy is conducting in support of UK economic interests and the Global Britain campaign; and if he will make a statement.

[909193]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): The 2015 national security strategy strengthens the historic role of the Royal Navy in promoting our national prosperity. Royal Navy ships
are deployed today around the globe, from the Falklands to the Gulf and the Caribbean, supporting the UK’s economic interests.

Michael Fabricant: I thank my hon. Friend for her answer. I believe that she was waving the flag for Britain and our exports, particularly those from the west midlands?

Harriett Baldwin: Indeed, I was delighted to be welcomed on board HMS Penzance in Abu Dhabi and to thank the crew for the valuable contribution they are making in mine counter-measures. The Royal Navy will deploy ships to various ports throughout 2017. Only last week, HMS Ocean visited Beirut where the ship acted as a showcase for British industry—indeed midlands industry—including Jaguar Land Rover and Aston Martin.

Richard Drax: (South Dorset) (Con): When the United Kingdom leaves the EU in two years’ time, our military commitments are likely to increase. Will my hon. Friend assure me that we will have enough Royal Navy ships to ensure that our commitments on our shores, on our trade routes, to our dependants and to NATO are met?

Harriett Baldwin: My hon. Friend is absolutely right to highlight the importance of the Royal Navy. Of course, 2017 is the year of the Royal Navy as it prepares to welcome the new aircraft carriers, submarines, frigates, offshore patrol vessels and the aircrafts from which to fly.

Defence Estate Strategy

9. Mike Weir (Angus) (SNP): What progress he has made on implementing the defence estate strategy.

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): The Ministry of Defence is conducting a series of detailed assessments at affected sites, which is expected to take 12 to 18 months to complete. The assessments will more precisely define the exact moves, but good progress is being made.

Mike Weir: When launching the reviews, Ministers said that they would release land for housing and boost local economies. What weight is the Minister giving to projects for affordable housing and other community projects in determining the price that is asked?

Mark Lancaster: The disposal of land has to follow Treasury guidelines, but I am delighted that Angus Council has expressed an interest in purchasing the land at RM Condor in the hon. Gentleman’s constituency. I am equally delighted that progress will continue on Thursday, when Defence Infrastructure Organisation officials will meet council officials.

Danny Kinahan (South Antrim) (UUP): What consideration has been given to the use of the Ballykinler site in Northern Ireland for social housing or housing for veterans?

Mark Lancaster: There have recently been discussions about the potential use of the accommodation at that site, and those discussions will continue.

Mr Speaker: The hon. Member for Sleaford and North Hykeham is, of course, also a doctor. That fact was erroneously not reflected on the Order Paper. I hope that will not happen again. I call Dr Caroline Johnson.

Cadet Units: State Schools

10. Dr Caroline Johnson (Sleaford and North Hykeham) (Con): What steps he is taking to increase the number of cadet units in state schools.

The Minister for the Armed Forces (Mike Penning): In 2015, the Government committed £50 million to increase the number of cadet units in the UK state school sector under the cadet expansion programme. This joint Ministry of Defence and Department for Education project targets areas of social and economic deprivation, and is on target to hit 500 cadet units in schools by 2020.

Dr Johnson: The Lincolnshire Army Cadet Force does valuable work with young people, particularly the Two Squadron detachment based in Sleaford. I am delighted that so many people in the county have the chance to become a cadet, but that is not the case everywhere. Will my right hon. Friend confirm that he will prioritise the approval of new units in areas where young people do not have the opportunity to become a cadet?

Mike Penning: I declare an interest in that I was an air cadet and an Army cadet before I joined the armed forces many, many years ago. St George’s Academy—a comprehensive school—in my hon. Friend’s constituency has expressed an interest, and we hope to give the school an indication of whether that has been approved in the autumn.

Closure of MOD Sites

11. Rachael Maskell (York Central) (Lab/Co-op): What assessment he has made of the economic and social effect on local communities of proposals in the defence estate review for the closure of Ministry of Defence sites.

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): “A Better Defence Estate” is a military-led review. This estate optimisation strategy was developed in consultation with senior military officers to optimise defence infrastructure to better support military capability. The MOD has engaged with, and will continue to engage with, local authorities in order to maximise and enhance local economic development as well as value for money for defence.

Rachael Maskell: “A Better Defence Estate” will result in more than 500 civilian and contractor jobs lost in York, where the local economy is already struggling with low wages and job losses. Why is the Minister not following joint service publication 507, which determines that an economic and social impact assessment has to take place first? Will he work across Government to ensure that we can secure jobs in York?
Mark Lancaster: Let us be clear that the site the hon. Lady mentions is due for disposal in some 14 years’ time in 2031. We will be following all due process. The economic impact assessment is as much a useful document for the local authority to see what gaps there may be as a result of the estate being closed, so that we can work closely with the local authority to see how we can move forward.

Ms Margaret Ritchie (South Down) (SDLP): Further to my meeting with the Minister last week regarding housing at Ballykinler Army camp, and further to the question of the hon. Member for South Antrim (Danny Kinahan), will the Minister detail the nature of the further discussions he mentioned? What detail will be provided to ensure that those houses are released to meet unmet housing need?

Mark Lancaster: With respect to the hon. Lady, we discussed this in detail last week, so I will simply do as I said I would in that meeting and write to her in due course.

Departmental Funding

12. Nick Smith (Blaenau Gwent) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the level of funding for his Department.

The Secretary of State for Defence (Sir Michael Fallon): I have regular discussions with the Chancellor. The 2015 spending review set out spending plans for the remainder of this Parliament. The Chancellor confirmed last Wednesday that the Government are committed to growing the defence budget at 0.5% above inflation each year until 2020-21. We also have access to the joint security fund. With these commitments, the defence budget will rise from £35 billion this year to almost £40 billion by the end of this Parliament.

Nick Smith: Why does the Government’s defence spending return to NATO include more than £1 billion of war and civilian pensions? These do not contribute to our defence and were not included under a Labour Government. Concern over these accounting tricks undermines confidence in our defence spending targets.

Sir Michael Fallon: The return we make to NATO captures all the spending that falls to the defence budget, and it is for NATO to decide whether that return is properly completed. Indeed, a Committee of this House found that the “accounting criteria fall firmly within existing NATO guidelines.”

Surplus Land

16. Rebecca Harris (Castle Point) (Con): What steps he is taking to release surplus Ministry of Defence land.

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): As part of an ongoing programme, all land that is surplus to defence requirements is sold in accordance with the guidelines set by the Treasury. This release of sites supports the Department’s contribution to the Government’s public sector land release target to reduce the housing deficit or contribute to economic development.

Rebecca Harris: I appreciate that some people will be concerned about the release of some MOD land, but does my hon. Friend agree that, for anyone who is anxious to have a home of their own or who needs new business premises, it often cannot come quickly enough?

Mark Lancaster: Indeed. I would point the House to the recent sale of the Hullavington site, which I was delighted was bought by Sir James Dyson. While it may not be going directly to housing, it will become the Dyson global research and development hub, which will bring much-needed economic development to the area.

Topical Questions

T1. [909214] Neil Carmichael (Stroud) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Sir Michael Fallon): My priorities remain operations against Daesh and implementing our strategic defence review.

Last Thursday, Her Majesty the Queen unveiled a monument to the service and sacrifice of our armed forces in Iraq and Afghanistan. For too long, those troops faced false allegations made by Mr Phil Shiner, and my Department supplied evidence that finally saw him struck off last month. I am therefore now pleased to confirm that the Iraq Historic Allegations Team will close by the summer.

Neil Carmichael: Does Sweden’s announcing that it plans on reintroducing conscription signal an awareness in countries such as Sweden that there is an increasing problem from Russia and elsewhere, and should that be translated into an argument for spending 2% of GDP on defence?

Sir Michael Fallon: Well, yes. Europe faces a wide range of threats, including those from Russian aggression and international terrorism. European nations need the capabilities to respond and the funding to provide those capabilities. I reminded a meeting of EU Foreign and Defence Ministers last week of the importance of all of us who are members of NATO meeting that NATO spending target.

Nia Griffith (Llanelli) (Lab): The outsourcing of public services frequently results in lower levels of staffing, less continuity, less training and less vetting. Given that the MOD Guard Service was set up in the wake of the 1989 bombing of the Royal Marines building at Deal, when 11 marines died, and that failures by a private security firm were identified, will the Government recognise the sensitivity of the work done by the MOD guards and abandon plans to privatise the service?

Sir Michael Fallon: Let me make it clear to the hon. Lady that we are currently considering the options for the future provision of an effective unarmed guarding service throughout the United Kingdom, which, at the moment, is being provided by a multiplicity of different services. The aim is to achieve maximum value for
money to ensure that we can focus resources on military capability, but security remains a priority, and no decisions will be made that would compromise the security of our personnel, our information or our physical assets.

T5. [909215] Pauline Latham (Mid Derbyshire) (Con): Can my right hon. Friend recall a time when the deployment of British forces to a NATO ally has not had the support of the whole House?

Sir Michael Fallon: This House has a long history of supporting our armed forces as they serve and protect our country and our allies. I am obviously disappointed that the Leader of the Opposition has described this week’s defensive deployments to Estonia and Poland as escalatory, and I hope the shadow Defence Secretary will take this opportunity to condemn those remarks today.

T2. [909212] Conor McGinn (St Helens North) (Lab): The Duke of Lancaster’s Regiment headquarters and museum, Fulwood barracks, is to be sold off, while its 2nd battalion will lose over half its complement of soldiers and move to Aldershot. That will leave just one regular infantry battalion in the north-west by 2020 in that regiment, which as it stands has no headquarters identified after 2022. What message do the Government think that sends to serving personnel in St Helens and to the young men and women who want to follow in their footsteps and join Merseyside’s county regiment?

The Minister for the Armed Forces (Mike Penning): The best message we can send to that unit—I know the hon. Gentleman will do this with me—is that it is one of the best units in the British Army. I have visited it on operations literally around the world. We will support it all the way through. At the same time, we must get the best estates for the best parts of the Army.

T8. [909219] Amanda Milling (Cannock Chase) (Con): Thirty-five years on, our armed forces still play a vital role in safeguarding the security of the Falkland Islands and other British overseas territories in the south Atlantic. Can my right hon. Friend confirm that this Government are committed to maintaining a strong armed forces presence in the Falklands?

Mike Penning: Thirty-five years on, we not only continue but will enhance the protection of the Falkland Islands. I know that many colleagues from the House have visited the Falklands recently and seen the excellent work that our armed forces do far away from home. We will continue to support that with the Typhoons, the Rapier, and the other battalions that are there now.¹


The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): Of course we want UK steel to be used wherever possible. That is why last year we published the full pipeline of steel that we will need across the whole of Government. We work with our suppliers to encourage them to use British steel producers, where available, in that pipeline.

Jake Berry (Rossendale and Darwen) (Con): At Defence questions on 30 January, I asked the Minister how many people were currently working in defence procurement and what plans the Government have to reduce that number. She subsequently wrote to me to say that 11,500 people are currently working in procurement. Given that this equates to 149 people per ship in the Royal Navy, 14 people per aircraft in the Royal Air Force and one person per seven soldiers, will she now say what steps the Government are going to take to reduce this extremely large number?

Harriett Baldwin: I would like to emphasise to my hon. Friend that a lot of those people will in fact be uniformed. What often happens is that they rotate through the teams that are involved in procurement because there is no one better than our uniformed personnel to decide on the requirements that are needed. However, he is absolutely right that they are not immune to the need, across the whole of defence, to continue to find ways to spend more efficiently.

T4. [909214] Martyn Day (Linlithgow and East Falkirk) (SNP): Last week the Royal United Services Institute published a report demonstrating that the Royal Navy is no longer designed for sea control in the north Atlantic. Indeed, there is not one major surface vessel based in Scotland. Can the Minister confirm that the lesser spotted national shipbuilding strategy, if and when we eventually see it, will redress this strategic imbalance?

Mike Penning: Yet again Scottish National party Members want to run down the Royal Navy and the fantastic work it is doing. What is important is whether the Navy is there and whether our submarines are there. They are, and this is exactly what the Navy will be expected to do.

Mr Mark Francois (Rayleigh and Wickford) (Con): HMS Queen Elizabeth and HMS Prince of Wales, the two largest warships ever procured for the Royal Navy, are currently being built and fitted out in Scotland. As Scotland is much in the news today, will the Secretary of State take this opportunity to remind the House of the great defence benefits there are in Scotland remaining part of our United Kingdom?

Sir Michael Fallon: Yes. I visited both carriers last week. This will be a huge asset for the Royal Navy and for this country. Let us be very clear: Scotland is getting all the Royal Navy’s submarines, a major Army base is growing at Leuchars, and there is huge investment at Lossiemouth with an additional Typhoon squadron and the deployment of our new maritime patrol aircraft. Scotland plays a huge part in the defence of the United Kingdom.

T6. [909216] Jessica Morden (Newport East) (Lab): The latest UK armed forces monthly figures show that while 6,690 people joined the reservists in the past 12 months, over 5,000 left. What more is being done to encourage the retention of reservists?
The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): I am pleased to say that we remain ahead of target in recruiting our reserves. The key to retention—I declare my hand as a serving reservist—is to make sure that we continue to offer interesting and exciting opportunities and training in the reserves, and we aim to do that.

Nusrat Ghani (Wealden) (Con): The Saudi-led Islamic military alliance to defeat Daesh has grown from 34 to 40 members. The role of Islamic countries in defeating Daesh, especially its poisonous ideology, is absolutely key. What update does my right hon. Friend the Secretary of State have from the Saudis on the progress made by the Saudi coalition?

Sir Michael Fallon: We welcome the role that the Kingdom of Saudi Arabia has taken in leading the effort to discredit the so-called ideology of Daesh. We, too, are leading work on strategic communications, and we recently hosted the very latest coalition conference, which brings together all our international efforts. I am particularly pleased that this campaign is being strengthened by the commitment of Saudi Arabia to rid this religion of its appalling extremism.

T7. [909218] Mr Jim Cunningham (Coventry South) (Lab): Following on from the answer that the Minister gave to my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss), can she name the projects in which British steel is actually being used to safeguard British steelworkers jobs?

Harriet Baldwin: We are committed to building Type 26 frigates, and that forms part of the pipeline of defence procurement where we are going to need steel. Our main supplier is running a competition in which I believe five UK firms are participating.

Dr Julian Lewis (New Forest East) (Con): Did Ministers see the evidence given to the Select Committee on Defence last Tuesday by four eminent professors of law, indicating that there is no legal reason why a statute of limitations cannot be brought forward to prevent the hounding of our service personnel for pre-Belfast-agreement-related matters? Will Ministers work with the Committee by giving evidence to us that might enable such a statute to be brought forward?

Sir Michael Fallon: We have indeed been following the proceedings of my right hon. Friend’s Committee with close interest. We want any legacy investigations in the proceedings of my right hon. Friend’s Committee by giving evidence to us that might enable such a statute to be brought forward.

T9. [909220] Lyn Brown (West Ham) (Lab): We continue to hear stories of our service personnel being forced to live without heating and sometimes without being able to take a shower for days, as detailed in recent reports about the Wellington and Baker barracks. Do the Government really think it is acceptable to leave our brave servicemen and women in such squalid conditions?

Mark Lancaster: No, which is precisely why we invested £60 million last year and will invest £84 million this year to ensure that our service personnel’s accommodation is very good. It is also why service personnel are not allowed to go into any new service family accommodation home that does not meet the decent homes standard.

Robert Courts (Witney) (Con): Carterton in my constituency has a large amount of Royal Air Force housing and land that will be available for much-needed housing. Will the Minister agree to meet me to discuss ways in which the land can be released for that urgently needed housing?

Mark Lancaster: I would be delighted to do so.

Vernon Coaker (Gedling) (Lab): What discussions has the Defence Secretary had with the US Government about the announcement over the weekend of the deployment of hundreds of US marines to northern Syria, what their purpose is and what co-operation will take place between us and the Americans with respect to that deployment?

Sir Michael Fallon: I reviewed the campaign in Syria with the United States Defence Secretary at our meeting in Brussels a couple of weeks ago. We are not deploying combat troops to this particular campaign in Syria, but the United States is committing more support forces and working as part of the international coalition to ensure that the Syrian Democratic Forces have all the assistance and advice they need.

George Kerevan (East Lothian) (SNP): Will the Secretary of State confirm that the deep maintenance and repair of the engines of all British F-35 fighters will be done in Turkey, and what, if any, security issues arise from this rather strange decision?

Harriet Baldwin: I will follow this up with the hon. Gentleman, but I can confirm—I am sure he shares my delight—that north Wales has been selected for the global hub outside the US for all the maintenance and repair of the avionics.

Kirsten Oswald (East Renfrewshire) (SNP): The Secretary of State will have seen reports of armed drones operated from RAF Waddington with a kill list targeting UK citizens. If those reports are right, what happened to the commitment to come to the House at the earliest opportunity if lethal force was used in self-defence, and does the kill list extend beyond geographical areas where military action has been authorised by this House?

Sir Michael Fallon: Let me just make it clear to the hon. Lady and to the House that those involved in supporting Daesh in Iraq and in Syria are certainly liable to be killed by coalition forces, and those who pose a very direct threat to this country are also likely, if there is no other way of forestalling that threat, to be targeted.

Steven Paterson (Stirling) (SNP): According to the National Audit Office, even if the defence estate strategy was implemented in full, we would still have an £8.5 billion budget shortfall caused by the deterioration of the estate. Is the strategy fit for purpose?
Mark Lancaster: The strategy is absolutely fit for purpose, and it is based on delivering military capability. Reducing the estate by some 30% means that we have less estate to look after, and that we can reinvest some £4 billion over the next 20 years.1

Several hon. Members rose—

Mr Speaker: Order. We must move on.

Before I take points of order, I am pleased to inform the House that we are being visited today by the Catholic Archbishop of Yangon in Burma, a country with which, as colleagues will know, we have a programme of parliamentary capacity building. It is a delight to see Cardinal Charles Bo viewing our proceedings today. It is the second time he has come in recent months—he clearly cannot get enough of us—and I am sure colleagues will want to impress the great man with the decency of their behaviour.

1.[Official Report, 16 March 2017, Vol. 623, c. 8MC.]
Points of Order

3.36 pm

Patrick Grady (Glasgow North) (SNP): On a point of order, Mr Speaker. I seek your guidance about the convention that Members should notify each other when they visit their constituencies. On the way to my surgery on Saturday morning, I came out of Hillhead subway station and met a bunch of very drookit-looking Labour supporters, and when I asked them whether they were waiting for someone special, they said no. However, at the end of my surgery, I read on social media that the right hon. Member for Islington North (Jeremy Corbyn), the leader of Her Majesty’s loyal Opposition, had in fact visited that street and undertaken a walkabout. I had received absolutely no notification of that. I understand that an email was sent to my hon. Friend the Member for Glasgow Central (Alison Thewliss), but he was not in Glasgow Central.

Mr Speaker: I am enormously grateful to the hon. Gentleman for his point of order. The details of the particular tribulations that afflicted him in the course of an obviously very busy and hectic weekend are of grave concern to the hon. Gentleman, but possibly not to every Member of the House in equal measure. There is a convention that Members should notify each other of their intention to visit their constituencies, and he is perfectly justified in drawing attention to it, although I am not entirely sure that his timing in doing so at this point was perfect.

Kate Osamor (Edmonton) (Lab/Co-op): On a point of order, Mr Speaker. On 11 March, the UN declared that the world faces the largest humanitarian crisis since 1945. More than 20 million people in South Sudan, north-east Nigeria, Somalia and Yemen face famine and starvation. Without a collective global effort, people will simply starve to death. My question to you is: have you received notice from the Secretary of State for International Development of when a written or oral statement will be made in the House so that we can discuss this urgent matter?

Mr Speaker: The short answer is no. I have received no indication of any intention on the part of the Secretary of State for International Development or one of her Ministers that they wish to come to the House to communicate on this subject. However, I am sure the hon. Lady’s point will have been heard by those on the Treasury Bench on what, as she says, is an extremely important and very pressing matter. No doubt she will use her ingenuity in the coming days and weeks to find ways in which to ventilate the subject.

Reproductive Health (Access to Terminations)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.39 pm

Diana Johnson (Kingston upon Hull North) (Lab): I beg to move,

That leave be given to bring in a Bill to regulate the termination of pregnancies by medical practitioners and to repeal certain criminal offences relating to such terminations; and for connected purposes.

In England and Wales, women have a legal route to an abortion through the Abortion Act 1967, introduced by David Steel as a private Member’s Bill, but 50 years on it is right that the House has the chance to address one fundamental issue that the Act did not address. Abortion remains a criminal offence in this country, even if it is carried out early in the term, for the woman who has the abortion and anyone who assists her. Under sections 58 and 59 of the Offences Against the Persons Act 1861 and other legislation, termination of a pregnancy carries the maximum sentence of life imprisonment. That is the harshest criminal penalty of any country in Europe, underpinned by a Victorian criminal law passed before women even had the right to vote, let alone sit in this place.

The Abortion Act 1967 did not change the fundamental fact: it merely set out circumstances under which abortion could be legal—for example, the need for two doctors’ signatures that specified conditions have been met, including a time limit now set at 24 weeks and, in exceptional circumstances, the conditions for abortions post-24 weeks. Unlike in other countries, that means that abortion remains illegal except in the limited circumstances in the Act. No other medical procedure is governed by legislation that old or that out of step with clinical developments and changing attitudes.

I want the House to reflect on the following comments from women who have sought help from online organisations to buy abortion tablets—something that no one would have imagined in 1967, let alone 1861—as, in so doing, they are committing criminal offences under the 1861 Act. The first woman says:

“I live in rural England and have no friends and the relatives I have I am not close to. I was hoping to have a termination in the comfort of my own home without judgmental eyes and without worrying about my husband knowing. I fear what would happen if he did. I have 3 children and my 3rd is 11 months old. I considered an abortion when he was conceived and had a terrible pregnancy and am still suffering from postnatal depression. I will try to seek help, anonymously if possible. I’m in great need of help.”

Another woman says:

“I have visited my GP last week and he referred me to my local NHS service. They can only offer me a medical abortion with three visits to the hospital on separate days. On the second visit I am expected to stay there all day. I work full time and have two young sons so getting all that time off and childcare is going to be very difficult, probably impossible.”

Dr Rebecca Gomperts, the director of Women on Web, said about English women seeking help online:

“Yes, we get them all the time. We had an Islamic girl forbidden from leaving the house without a chaperone. How is she going to get to an abortion clinic? She can’t. For her, her only option might be that she could get the medicine sent to her by post.”
Due to the accessibility of medication now available online, women are more than ever before at risk of breaking the law, and a few prosecutions have already happened. I wonder if any of us truly believe that those women, in such difficult circumstances, really should be seen as criminals. Let me be clear that decriminalisation will not mean deregulation. Parliament can decide to retain existing safeguards within a decriminalised environment, including the existing time limit of 24 weeks. Abortion would remain subject to the same complex mass of general, criminal, civil, administrative and other legal provisions that govern all medical procedures.

I ask that hon. Members also consider the fact that Poland, a traditionally Catholic country, does not criminalise women for having an abortion, and even the United States has not criminalised women for having an abortion since the Supreme Court judgment in 1973. When the current US President suggested last year that women should be punished for having abortions, he was forced to backtrack after the public outcry.

In proposing the Bill, I want to thank the many individuals and organisations that have helped me along the way, including the British Pregnancy Advisory Service, Abortion Rights and, particularly, Professor Sally Sheldon at the University of Kent law school.

I want to address specifically the concerns about decriminalisation. I want to be clear about what this Bill will and will not do. First, decriminalisation will not make it easier to access abortions post-24 weeks. Under the 1967 Act, abortions beyond 24 weeks are allowed only in exceptional circumstances—if, for example, the mother’s life is at risk. The decriminalisation can apply these exact same conditions, and we know from countries that have already decriminalised, such as Canada and parts of Australia, that there is no evidence of an increase in late-term abortions.

Secondly, decriminalisation will not lead to a free-for-all with unlicensed practitioners providing abortions; as now, there will be strict regulation and licensing of health professionals. For example, both of the pills most commonly used in medical abortions are prescription only. That means they are covered under the Human Medicines Regulations 2012, which make it illegal to supply such drugs without a prescription. So with decriminalisation, Parliament would need to have an evidence-based debate about what kind of abortion provision up to 24 weeks would be in the best interests of women and agree appropriate safeguards.

Finally, decriminalisation will not permit gender-selective or non-consensual abortions. Some opponents of decriminalisation argue that the only way we can restrict these practices is to apply criminal law to everyone. I hope that hon. Members will appreciate that it is well within the capacity of this House to find a better way forward that does not criminalise all women and all practitioners. Let me be clear that under current law, women cannot obtain an abortion on grounds of the gender of the child. With decriminalisation, professional bodies that are best placed to take action can continue to prohibit this as a ground for abortion. It is worth pointing out that the current law does nothing about those who try to coerce women in those circumstances. On the issue of non-consensual abortions, such as when a man assaults a pregnant woman, these would continue to be criminalised under other laws such as grievous bodily harm.

Now that all these potential objections are addressed, hon. Members can be left to ask themselves the fundamental question that gets to the heart of what my Bill is about: should abortion be an inherently criminal act, punishable by up to life imprisonment? In asking themselves this question, I hope hon. Members will bear in mind the vulnerable women who are ill served by our current laws and whether their care is now being compromised. There is also evidence that doctors are thinking twice about practising in this area of women’s healthcare because of the threat of criminalisation. We do not use these laws for any other medical practices, so why do we do it for abortion? This is one of the many reasons why a range of expert groups, including the Royal College of Midwives and the British Pregnancy Advisory Service, support decriminalisation.

I hope that hon. Members will, like me, conclude that the criminalisation of abortion suits nobody. Women are poorly served by laws that state that even early-term abortions are inherently criminal, and doctors are poorly served by a criminal framework that does not apply to other areas of healthcare. We should create an environment in which the stigma of the criminal law is removed and in which women can come forward for advice and high-quality, woman-centred healthcare as early as possible in a pregnancy. I hope that hon. Members will join me in saying that in England and Wales in the 21st century, abortion should no longer be considered a criminal offence, and that the 1861 Act is now obsolete and no longer fit for purpose in this century.

In closing, I would like to repeat an observation on decriminalisation, which has, as I stated earlier, taken place in some Australian states. The quotation is this: the decriminalisation has resulted in “a profound shift in the relationship between the state and its female citizens. It changes both nothing and everything. Nothing, because the number, rate and incidence of abortion will not change. And everything, because for the first time women will be recognised as the authors of our own lives. With that comes our full citizenship.”

3.49 pm

Maria Caulfield (Lewes) (Con): Ten minutes is too short a time to cover the many and serious issues surrounding the premise, content and implications of this Bill. In the time available, I will outline some of the central problems with it. Far from being progressive, the Bill would be a charter for unsafe abortion practices, not dissimilar to the back-street abortions that the Abortion Act 1967 was supposedly meant to end.

I thank the hon. Member for Kingston upon Hull North (Diana Johnson) for giving the House an opportunity to debate, briefly, an important area of policy. Too often today, debates about abortion—about the risks involved and the rights of the unborn child—are shut down; but I, and many colleagues who share my views, will not be silenced as we seek to be a voice for the voiceless, and as we argue for more modern and humane abortion law that upholds not only the dignity and rights of women but the dignity and rights of the unborn child.

I am against the Bill first because it is based on the false premise that women who seek ordinary abortions are living under the constant shadow of arrest. That is
clearly not the case. The rhetoric surrounding the Bill may alarm Members, but let us look at the actual facts. Abortion is widely available under the terms of the Abortion Act, with just two convictions in recent years—indeed, in many years there have been none at all—and in the past two years there were just two convictions, both of them in extreme and disturbing scenarios. One involved a man who had attacked a pregnant woman and caused her to miscarry. That prosecution is an example of the current law seeking to stand up for a woman and punish someone who has committed a terrible crime against her and her unborn child. The Bill may make it harder to prosecute that man in the future. What an unjust and regressive change—[Interruption.]"

Mr Speaker: Order. The hon. Member for Kingston upon Hull North (Diana Johnson) was heard with courtesy. The hon. Member for Lewes (Maria Caulfield) must also be heard, and with equal courtesy.

Maria Caulfield: Thank you, Mr Speaker.

The hon. Lady cited the possibility of the growing availability of abortion pills as a reason to seek to liberalise the law, but if availability is increasing, that should motivate greater concern for women’s safety and health, and make us more wary of further liberalisation of the law. Abortion is still a major and often risky procedure for the woman involved. If abortion pills can be so easily bought over the internet—perhaps by an abusive boyfriend or husband—that should lead us to take steps to protect young and vulnerable women from those potentially dangerous products.

Take the young teenager, terrified to discover that she is pregnant, who googles “abortion pills” online. What she needs are not fewer legal safeguards but support and information, which the Bill would take away. By repealing sections 58 and 59 of the Offences Against the Person Act 1861, on the basis of which the Abortion Act was constructed, it would make the Abortion Act, with its safeguards, obsolete and unenforceable. It would leave that young teenage girl less safe.

Take, for example, the requirement that two doctors must certify an abortion, which the Bill would remove. For a woman deciding what to do following an unplanned pregnancy, those conversations with a doctor can be important and safe opportunities to discuss the situation, and to make more informed decisions about the medical options and risks of a major and invasive procedure. What is more, they can give a woman in an abusive relationship what may be her only chance to speak to someone about the pressure that she has been put under to abort a child whom she may want to keep. Why should we take that opportunity away from women?

The campaign behind the Bill claims “We Trust Women”, but polling in 2014 showed that 92% of women believed that a pregnant woman should always be seen in person by a qualified doctor. Far from trusting women, the campaign seeks to change a central aspect of abortion provision in the United Kingdom, in direct opposition to the vast majority of British women’s views. Proponents of the Bill claim to be pro-choice, but, as has been the case again and again in recent years, they seem to be firmly against helping women to make informed choices. Regardless of the issue and regardless of the facts, the only answer that they have is to liberalise the law.

This Bill would not protect women. Instead, it would embolden those men who pressurise women into abortions that they do not wish to have. Whether it is a controlling relationship or wider communal discrimination and pressure that tell a woman that she must abort a child because it is a girl, because it has Down’s syndrome or because it has a disability, the Bill would make such women more vulnerable. One professor of medical law and ethics wrote to MPs last week saying that “if section 58 were to be repealed, it is far from obvious that even the surreptitious administration of abortion pills to women would necessarily continue to constitute an offence.”

Indeed, by undermining all the safeguards and regulations on abortion up to 24 weeks, the Bill would become a charter for extreme abortion practices such as sex-selective abortions. Polling among women shows that 88% favour an explicit ban on sex-selective abortion, yet many of the organisations behind the Bill oppose that ban and the hon. Lady herself voted against a ban in 2015. So much for trusting women. One of the models mentioned today points to a Canadian law that has, according to the Canadian Medical Association Journal, turned Canada into “a haven for parents who would terminate female fetuses in favour of having sons”.

Another model was mentioned—the law in Victoria, Australia, which has led to a reported 600% increase in late-term abortions in one hospital in just a two-year period. Is that something to celebrate or copy? Many UK midwives have spoken out against the Bill, with thousands joining the Not In Our Name campaign to stop it becoming law.

That brings me to the current state of the abortion industry in the UK. I am amazed that the Bill’s backers, including private abortion providers, have the gall to propose these changes, which would remove regulations at a time when the UK abortion industry is knee-deep in revelations of unethical, unsafe and unprofessional practices. In recent years, we have seen doctors pre-signing bulk abortion forms and offering sex-selective abortions. We have seen live babies being left to die following abortions that have gone wrong. We have seen children aborted just for possessing minor disabilities such as a cleft palate or a club foot. Last year, the Care Quality Commission had to step in to protect women from potential harm at Marie Stopes abortion facilities. The CQC’s subsequent report showed that women were left at risk of infection, staff were not trained in how to respond to deteriorating patients and post-surgery checks were completed before surgery had even started. Only last week, another exposé of Marie Stopes International revealed that abortions were being approved on the basis of telephone calls as short as 22 seconds with medically untrained call centre workers. No wonder these abortion providers are calling for a Bill that would get rid of the regulations and safeguards in the Abortion Act.

The Bill is a response to a non-existent threat. It would exacerbate the dangers posed by increased availability of abortion pills and it would remove some of the few protections and regulations in abortion law, fuelling unethical and unsafe practices in many UK abortion clinics and leaving women less safe and less informed.

A 21st-century approach to this area must be based on a fuller and richer understanding of human dignity and equality which does not treat a woman as a victim.
of her own body, which does not treat children as commodities and which does not treat marginalised people such as young girls or children with Down’s syndrome as burdens or inconveniences. On that count, the Bill fails. It is not a serious or positive proposal. It helps neither women nor unborn children, and this House should firmly reject it.

Question put (Standing Order No. 23).

The House divided: Ayes 172, Noes 142.

Division No. 176] [3.58 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Anderson, Mr David
Ashworth, Jonathan
Atkins, Victoria
Barron, rh Sir Kevin
Beckett, rh Margaret
Benin, rh Hilary
Blackman-Woods, Dr Roberta
Blomfield, Paul
Blunt, Crispin
Bottomley, Sir Peter
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Dawn
Cadbury, Ruth
Campbell, rh Mr Alun
Campbell, Mr Ronnie
Champion, Sarah
Clegg, rh Mr Nick
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Alex
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
De Piero, Gloria
Debono, Thangam
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Duddridge, James
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Eldford, Clive
Elliot, Julie
Moon, Mrs Madeleine
Morden, Jessica
Murray, Ian
Nandy, Lisa
Olney, Sarah
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Pennycook, Matthew
Phillips, Jess
Phillipson, Bridget
Poulter, Dr Daniel
Powell, Lucy
Rayner, Angela
Reed, Mr Steve
Reynolds, Emma
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Shapps, rh Grant
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat

NOES

Afriyie, Adam
Aldous, Sir David
Amess, Sir David
Ansell, Caroline
Bacon, Mr Richard
Bellingham, Sir Henry
Benyon, rh Richard
Bingham, Andrew
Blackman, Bob
Borwick, Victoria
Brazier, Sir Julian
Bridgen, Andrew
Bruce, Fiona
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Campbell, Mr Gregory
Cash, Sir William
Caulfield, Maria
Chishti, Rehman
Chope, Mr Christopher
Coffey, Dr Therese
Cooper, Rosie
Costa, Alberto
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Dr James
Davies, Philip
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Donnies, Nadine
Double, Steve
Drummond, Mrs Flick
Duncan Smith, rh Mr Iain
Durkan, Mark

Sellers for the Ayes:
Lyn Brown and Mrs Sharon Hodgson

Elphicke, Charlie
Evans, Mr Nigel
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Fiello, Robert
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Fuller, Richard
Fysh, Marcus
Glen, John
Gillond, Mary
Goodwill, Mr Robert
Graham, Richard
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Halfon, rh Robert
Hall, Luke
Hansds, rh Greg
Hayes, rh Mr John
Henderson, Gordon
Hermon, Lady
Hoare, Simon
Hollowbone, Mr Philip
Holloway, Mr Adam
Howarth, Sir Gerald
Huddleston, Nigel
Jackson, Mr Stewart
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Johnson, Dr Caroline
Jones, Helen
Jones, Mr Marcus
Kane, Mike

Smith, Jeff
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Soubry, rh Anna
Stevens, Jo
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Trickett, Jon
Turley, Anna
Turner, Karl
Tiggw, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Warman, Matt
Watkinson, Dame Angela
West, Catherine
Whitehead, Dr Alan
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

Mrs Sharon Hodgson
The House divided: Ayes 331, Noes 102.

Division No. 177

AYES

Davies, Glyn
Davies, Dr James
Davies, Mims
Davies, Philip
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyly-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Fuller, Richard
Fyeh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damien
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halton, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard

The House divided: Ayes 331, Noes 102.

Division No. 177

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
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brady, Mr Graham
Brazier, Sir Julian
Bridge, 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
Carswell, Mr Douglas
Carlidge, James
Cash, Sir William
Caufield, Maria
Chalk, Alex
Chidi, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Cleaverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Courts, Robert
Cox, rh Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Tellers for the Ayes:
Guy Opperman and
Heather Wheeler
European Union (Notification of Withdrawal) Bill

Queen's consent signified.

Clause 1

POWER TO NOTIFY WITHDRAWAL FROM THE EU

4.26 pm

The Secretary of State for Exiting the European Union (Mr David Davis): I beg to move, That this House disagrees with Lords amendment 1.

Mr Speaker: With this it will be convenient to discuss Lords amendment 2, and Government motion to disagree.

Mr Davis: We introduced the most straightforward possible Bill necessary to enact the referendum result and respect the Supreme Court's judgment. This Bill has a simple purpose: to allow the Prime Minister to notify under article 50 and start the two-year negotiation process. The House of Commons has already accepted that, voting overwhelmingly to pass this Bill, unamended, last month. The House accepted that the majority of people, no matter which way they voted in June, want the Prime Minister to get on with the job at hand, and to do so without any strings attached. Despite the simple purpose of this Bill, it has generated many hours of debate in both Houses—quite properly, I say to those who debate whether it should have.

Over the past five weeks, we have seen Parliament at its best. Hon. and right hon. Members and peers have spoken on this subject with passion, sincerity and conviction. However, I was disappointed that the House of Lords voted to amend the Bill. The Bill is just the next step in the long, democratic process surrounding our exit from the European Union. That process will continue with future legislation, ranging from the great repeal Bill, which will convert EU law into UK law at the time we leave, to a range of specific Bills that we expect to introduce, such as on immigration or customs arrangements. Parliament will be closely involved in all those important discussions and decisions.

As we embark on the forthcoming negotiations, our guiding approach is simple: we will not do anything that will undermine the national interest, including the interest of British citizens living in the European Union, and we will not enter negotiations with our hands tied. That is not to say that I do not appreciate the concerns that lie behind these amendments. It is not the ends that we disagree on, but the means, and I will attempt to address these individually—

Alex Salmond (Gordon) (SNP) rose—

Mr Davis—after I have given way to the right hon. Gentleman.

Alex Salmond: The Secretary of State will have heard that many Members in this House, and a huge majority in the House of Lords, want a meaningful vote on the Government's terms of negotiation, which he defined yesterday as meaning accepting either the Government's terms or World Trade Organisation terms. When does he expect that vote to come to this place, and indeed to all the other Parliaments that it will come to? When roughly, within the two-year period, does he expect the House to get a vote, even on his terms?
Mr Davis: If the right hon. Gentleman will forgive me, I will come to the detail of the answer to that later, but in broad terms, although it is impossible to predict the month, the form of words that I crafted earlier was this: we intend and expect it to be before the European Parliament votes on the same matter. It will fit in at the beginning of the ratification process, as soon as the negotiation is complete. It is too soon to know when that will be.

Lords amendment 1 seeks to require the Government to act unilaterally to bring forward plans within three months to secure the status of European Union and European economic area citizens and their family members living in the United Kingdom. On this matter, the Government have been consistently clear: we want to secure the status of EU citizens already living in Britain, and the status of British nationals living in other member states, as early as we can.

David T. C. Davies (Monmouth) (Con) rose—

Mr Davis: I will give way to my hon. Friend, but, as many Members wish to speak and time is tight, I will limit the number of interventions that I take.

David T. C. Davies: As somebody who is married to an EU citizen without a British passport, may I say that I wholeheartedly support the Government’s approach to this matter? [Interruption.] It is absolutely right that we get reciprocity before we go ahead with any agreement with the rest of the EU.

Mr Davis: I thank my hon. Friend both for his intervention and for warming up the House.

European citizens already resident in the United Kingdom make a vital contribution to our economy and our society, including working in crucial public services such as the national health service. Without them we would be poorer and our public services weaker.

4.30 pm

Emma Reynolds (Wolverhampton North East) (Lab) rose—

Geraint Davies (Swansea West) (Lab/Co-op) rose—

Mr Davis: I will give way in a moment.

However, the European Union has been clear that we cannot open these discussions until the Prime Minister has given formal notification that the UK wishes to withdraw from the EU. That is why we must pass this straightforward Bill without further delay, so that the Prime Minister can get to work on the negotiations, and we can secure a quick deal that secures the status both of EU citizens in the UK and of UK nationals living in the EU, of whom there are around 1 million.

We take very seriously—I take very seriously—our moral responsibility to all 4 million UK and EU citizens. The Prime Minister has been clear that this issue will be one of the top priorities for the immediate negotiations. I also welcome the encouraging words from across the channel, particularly from Poland and Sweden, which fill me with confidence that we will reach a swift agreement with our European partners. Indeed, as Beata Szydlo, the Polish Prime Minister, has said:

“Of course, these guarantees would need to be reciprocal. It’s also important what guarantees the British citizens living and working in other member states of the European Union will have.”

Several hon. Members rose—

Mr Davis: I did undertake to give way to the hon. Member for Swansea West (Geraint Davies), but then I will come back to my hon. Friend the Member for Ribble Valley (Mr Evans).

Geraint Davies: Is the right hon. Gentleman aware of the survey by the General Medical Council that shows that two thirds of EU doctors are thinking of leaving the UK? In general, EU citizens tend to be younger and working compared with their counterparts abroad who are older and retired. Does he not accept that there is an immediate need unilaterally to act in good faith to set the agenda to get reciprocation, rather than holding out until the final moment?

Mr Davis: I hear what the hon. Gentleman says. As I have said before, these issues are serious and important, and people hold their views passionately and with good reason, but the simple truth is that the Government have been very plain about what they intend. They intend to guarantee the rights of both British and European citizens and they will do so as quickly as possible.

Mr Nigel Evans (Ribble Valley) (Con): I am delighted to hear what my right hon. Friend has had to say about prioritising the negotiations as far as EU and British citizens are concerned. He has said that the negotiations could take up to two years, but there is no reason at all why an agreement on those citizens should not come a lot earlier. Will he give a guarantee that, once an agreement is reached, it will be made public to put out of their misery all the people who are going through this trauma at this moment in time?

Mr Davis: My hon. Friend makes a good point. It may well be that we need treaty change to put in law the guarantees that we want in place, but I aim to get all the member states, the Commission and the Council to commit—even if it is in an exchange of letters—so that everyone knows what their rights are and what their rights will be, which, therefore, deals with the issue that has quite properly been raised: people being afraid of things they should not be afraid of.

Emma Reynolds rose—

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP) rose—

Mr Davis: Please forgive me for a moment.

That is very dependent of course on the commitment not just of ourselves, but of other member states. As I said, Beata Szydlo, the Polish Prime Minister, has made that point publicly here. Every single Minister of every member state that I have spoken to, either on the continent in their own countries or here on a visit, have reinforced the point that they want this matter to be at the top of the agenda. They want this to be dealt with first, and that is what we intend to do to help to achieve what my hon. Friend wants.

Mr John Baron (Basildon and Billericay) (Con) rose—

Mr Davis: Forgive me, but I do have to make some progress.
The proposed amendment may well force the UK to set out unilateral plans in any case. Such an approach would only serve to undermine the very attempts that I have just been talking about, and hamper a quick resolution for all those concerned.

Ms Ahmed-Sheikh: Will the Secretary of State give way?

Mr Davis: In a second.

I want to reassure people that Parliament will have a clear opportunity to debate and vote on this issue in the future, before anything else happens. The great repeal Bill will not change our immigration system. That will be done through a separate immigration Bill and subsequent secondary legislation. Nothing will change for any EU citizen in the UK without Parliament’s explicit approval beforehand.

Ms Ahmed-Sheikh: I am very grateful to the Secretary of State for giving way. This Government’s track record on contingency planning is as bad as their handling of the Brexit process, so if it is the case that they are not going to protect the position of EU nationals and it therefore becomes the case that the position of EU nationals is not protected, has the Secretary of State given any consideration to a deportation process then?

Mr Davis: The hon. Lady knows me very well, and I think—

Ms Ahmed-Sheikh: I thought I knew you better.

Mr Davis: That is the point. It is, frankly, incredible to me that anybody would imagine that I, of all people, would sign up to a deportation process. The answer here is simple, and I make the point again: I take as a moral responsibility the future guarantees of all 4 million citizens—European Union and UK together.

If I may move on, I will now address the issues created by Lords amendment 2. Let me be clear from the outset that this amendment does not seek to simply put what we have already promised on the face of the Bill, as was suggested by some. In fact, it seeks to go much further. But let me begin with proposed subsections (1) to (3), which do simply seek to put our commitment to a vote on the face of the Bill. I will repeat here our commitment could not be clearer, so proposed subsections and intend that this will happen before the European Houses of Parliament before it is concluded. We expect motion on the final agreement to be approved by both
time for Parliament to get behind the country, which
in trying to get a really good deal for the UK. This is the time for Parliament to get behind the country, which made a decision, and to get the best deal. We cannot do that if the EU thinks it can undermine us.

Mr Davis: I reiterate the point: of course, Parliament can, if it wishes, have a vote and debate on any issue. That is a matter for Parliament. It is not for a Minister to try to constrain that, least of all this Minister, who has used those opportunities before this day. But let me get to the point behind this. I agree with my right hon. Friend, but what we cannot have—I am coming to the second aspect of this amendment—is any suggestion that the votes in either House will overturn the result of the referendum. That is the key point.

John Redwood (Wokingham) (Con): Is that not exactly the point? It would completely cripple the Government in trying to get a really good deal for the UK. This is the time for Parliament to get behind the country, which made a decision, and to get the best deal. We cannot do that if the EU thinks it can undermine us.

Mr Davis: That point brings me to subsection (4), so let me deal with that in a little more detail. This new clause, effectively, seeks to prohibit the Prime Minister from walking away from negotiations, even if she thinks the European Union is offering her a bad or very bad deal. As I will get on to, the impact of this is unclear, but even the intent goes far beyond what we have offered or could accept. The Government will be undertaking these negotiations and must have the freedom to walk away from a deal that sets out to punish the UK for a decision to leave the EU, as some in Europe have suggested.

Of course, we are seeking a mutually beneficial new relationship, which we believe can and will work for everyone, but tying the Government’s hands in this way could be the worst way of trying to achieve that deal. And let us not forget: in December, this House passed a motion that nothing should be done to undermine the negotiating position of the Government.

Stephen Kinnock (Aberavon) (Lab): The Minister is asking us to take him at his word—on trust. Given the record of the Conservative party recently on manifesto commitments, does the same principle of trust apply?

Mr Davis: I said before, and I will say it again: I take statements at this Dispatch Box as binding.
The important point here is that the idea that Parliament could force the Government to accept a bad deal will only incentivise those on the other side of the negotiating table to deliver just such a deal. As the Lords European Union Select Committee—hardly a Tory front organisation—said:

“The Government will conduct the negotiations on behalf of the United Kingdom, and, like any negotiator, it will need room to manoeuvre if it is to secure a good outcome.”

Mr Dominic Grieve (Beaconsfield) (Con): No one in this House, as far as I am aware, wishes to fetter the Government’s hands in negotiations, or indeed the Government’s right to walk away from the negotiations; the issue in subsection (4) is whether the Government come back to this House to explain their plan and policy in the event of that happening. I would expect that to be inevitable, and yet, curiously, when we have sought an assurance from the Government—no more than that; not this amendment—that they would do that, which seems to me to be blindingly obvious, we keep being told that they will not give that assurance. I do find that, I have to say to my right hon. Friend, a bit odd, and I wonder whether he could clarify that.

Mr David Davis: My right hon. and learned—and old—Friend makes a good point. The simple truth here, however, as I have said before, is that nothing can constrain this House’s right to debate and vote on anything it sees fit, and that meets this.

What I am dealing with here is subsection (4), and there are even bigger problems with it. During the debate on this issue in the other House, the author of the amendment, Lord Pannick, himself admitted he did not know what would happen if Parliament voted against leaving the EU without a deal. This uncertainty is itself a strong argument against putting this amendment into statute.

However, a significant number of Lords supported this amendment—that may not be true in this House—such as Lord Wigley and Baroness Kennedy, and they made their intentions clear: if Parliament were to vote against leaving without a deal, the UK should seek to remain in the EU and reverse the result of the referendum. I should say to my hon. and right hon. Friends that the European Union member states and the European Union institutions read the proceedings of this House very closely; they will have read that, and it will have raised their interest, because that is precisely what they would like to happen. So while this has been badged as a meaningful vote, the reality is that there are some who would seek to use it to overturn the result of the referendum. [Interruption.] “Good idea” comes from across the Floor. That is exactly, I am afraid, what concerns us.

The Government and the Prime Minister have been crystal clear. The people of the United Kingdom have decided to leave the European Union. The Government will seek to implement this decision in the way that is most beneficial to both the United Kingdom and the European Union. What we will not do, however, is accept anything that will put the intention to leave the European Union in doubt.

4.45 pm

Several hon. Members rose—

Mr Davis: Will hon. Members forgive me if I do not give way, because I am coming to the end of my comments?

Any prospect that we might actually decide to remain in the European Union would only serve to encourage those on the other side to give us the worst possible deal in the hope that we will do exactly that. This amendment would not only restrain the negotiating power of the Government but would create uncertainty and complications throughout the negotiating process while lessening the chances of the mutually beneficial deal we are seeking.

I reiterate the three key points. First, the Bill was brought forward to implement the referendum result, respect the Supreme Court judgment, and nothing else. Secondly, these amendments are unnecessary as the Government have already made firm commitments with regard to both of the two issues, and we will deliver on those commitments. Thirdly, these amendments would undermine the Government’s position in negotiations to get the best deal for Britain, and that cannot be in the national interest. Therefore, it is clear to the Government that we should send back to the House of Lords a clean Bill. This House has already expressed its support of this view in Committee, and I ask us all to repeat that support once more.

Keir Starmer (Holborn and St Pancras) (Lab): I rise to support both of the amendments that have been passed in the other place. They started life as Labour amendments at the Committee stage in this House, Labour peers led on them and voted for them in the other place, and they will be supported by Labour MPs here today.

The question is this: are Conservative Members willing to listen to the arguments in favour of the amendments, to which I know many are sympathetic and have concerns about, or will they go along with the Prime Minister’s increasing obsession to pass a clean Bill, unamended, even if that means ignoring amendments that would improve the Bill and provide much better protection?

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Will my hon. and learned Friend give way?

Keir Starmer: I will make some progress because lots of Members want to speak, and the more I give way now, the more irritating it is for those who want to make their own contribution.

The Government are about to embark on the most complex and challenging undertaking of any British Government since the second world war. The decision the Government make and the deals they strike will have profound consequences for almost every aspect of British life. It is therefore essential that the Government do not fail or take the country down the wrong path. Starting negotiations by guaranteeing the rights of EU nationals and ending negotiations with a meaningful vote will help to guard against that fate.

Let me turn to the amendment on EU nationals. My question for the Secretary of State and for the Government is this: what is the problem? This is not about delay,
The way to prevent delay is to accept the amendment and get on with it. The purpose of the amendment is to bring forward proposals “Within three months of exercising the power” to trigger article 50. The Secretary of State says that we want an early deal—well, if it is within three months, there is no problem with the amendment. The amendment only affects the Government’s approach if they do not get an early deal. That is why it is important. To portray this as a delaying tactic is not to read the amendment and not to appreciate what it says: that the purpose is to bring forward proposals “Within three months”.

Keir Starmer: I am grateful for that intervention, but it is important to focus on the words of the amendment, which asks Ministers to bring forward proposals within three months. That does not tie anybody’s hands or make anybody’s task more difficult. If the issue is resolved within three months—I hope that it is, for the sake of EU citizens living here and of UK citizens living abroad—the amendment represents no problem. It represents a problem only if the Government do not succeed in an early settlement of the issue.

The Labour party has been pushing the Government for many months to guarantee EU rights. My right hon. Friend the Member for Leigh (Andy Burnham) first tabled a Labour motion on the issue back in July 2016, just weeks after the referendum, but the Government have refused to take unilateral action. I remind the House that the International Trade Secretary, who is sitting on the Government Front Bench, said last year that to guarantee those rights to EU citizens “would be to hand over one of our main cards in the negotiations”.

Several hon. Members rose—

Keir Starmer: I have not even set out the principle yet. Are we prepared to use one set of people—those who are living here—as a bargaining chip to get the right settlement for people in the UK? [Interruption.] That is exactly what it is. The whole argument about reciprocal rights is about bargaining and saying, “We will not do what we should do by this group of people until we get something in return for it.” That is a bargaining chip.

Chris Bryant (Rhondda) (Lab): The Secretary of State seeks to persuade us that, simply because he has stated from the Dispatch Box that this will all be fine and dandy, that is the end of the matter. He said several times, quite inaccurately, that a ministerial statement from the Dispatch Box is legally binding. Surely the truth is that saying that something said from the Dispatch Box is legally binding does not make it so.

Keir Starmer: The Secretary of State said that it was binding so far as he was concerned. That is not the same as a legal commitment, and Secretaries of State and Governments can change. That is why we need a commitment on the face of the Bill.

Let me fast forward to the second amendment. If there is really no problem with proposed subsections (1), (2) and (3), why not accept them along with proposed subsection (4) and put them on the face of the Bill? This is becoming an obsession with having a clean Bill; “Our Bill must not be amended, even when it is proper, right and decent to do so.”

Frank Field (Birkenhead) (Lab): How does my hon. and learned Friend answer the Brexit Secretary’s point that if and when we pass the Bill and it is given Royal Assent, the Government’s first priority will be to negotiate the rights both of people here who are from Europe and of our citizens abroad? Does my hon. and learned Friend not accept that if we pass this amendment and give those rights to European citizens here, there will be no incentive whatsoever for other European countries to concede those rights to our citizens?

Keir Starmer: I am going to make some progress. We should not bring unnecessary uncertainty and distress into those people’s lives, but that is exactly what is happening as a result of the Government’s approach.

The Brexit Select Committee’s report states that it has heard “a wide range of concerns of EU nationals since the referendum, including stress, and anxiety and feelings of depression to practical concerns about pensions and healthcare, children being abused in the school playground and worries over the ability to work in the UK in the future.”

What have we come to, if we cannot deal with those levels of anxiety and stress? Many Members will have seen that in their own constituency surgeries. I certainly have: families have come to me in tears about the situation in which they find themselves. It is time for the Government to act; increasingly, it is only the Prime Minister and the Government who think otherwise. Trade unions and campaigns such as the3million and New Europeans have made a very powerful and compelling case for this issue to be dealt with, as of course has the Brexit Committee in its report’s conclusions.

Mr Shaiiles Vara (North West Cambridgeshire) (Con): Will the hon. and learned Gentleman give way?
Keir Starmer: I am going to make some progress.

Labour supports Lords amendment 1 not only because it is right in principle, but because it would help the negotiations by setting the right tone. We have to make it clear to our European partners that although we are leaving the EU, we are not severing our ties. We want a collaborative and co-operative future with our European partners. We want our closest and nearest allies to be strong, and for the European Union to succeed and prosper. We know that citizens will be richer and happier in the future if we work together with our EU partners to meet common challenges. That message is vital in securing our nation’s future.

Rushanara Ali (Bethnal Green and Bow) (Lab): Does my hon. and learned Friend agree that given our Foreign Secretary’s mixed record—both in committing to the £350 million a week for the NHS, and in failing to deliver on that—and the Government’s poor relations with EU partners, it is right that we should show leadership and commitment by standing up for EU migrants and supporting this amendment?

Keir Starmer: I agree. I have said in the House on a number of occasions that the tone that the Government set is very important as we come up to the beginning of the negotiations. From my direct discussions with representatives of other countries in Brussels, I can tell the House that some of the jokes that have been made about the reasons why our EU partners feel so strongly about the EU have not been well received. Agreeing to the amendment would help to set the right tone.

Several hon. Members rose—

Keir Starmer: I am going to move on to the question of the meaningful vote in Lords amendment 2. I remind the House that as recently as December the Prime Minister was refusing to guarantee that Parliament would be able to vote on whatever agreement the Government reach with the European Commission. Under pressure, that position changed early this year, but it was only when Labour tabled an amendment to the Bill in Committee that the Government made a set of commitments on the Floor of the House.

Those commitments, which were set out by the Minister of State and have now been repeated by the Secretary of State, are: first, that Parliament would be able to vote on the final draft agreement; secondly, that Parliament would get a vote not just on the so-called divorce settlement—the article 50 agreement—but also on the agreement on the future relationship with the European Union; and, thirdly, that the votes in this Parliament would take place before any votes in the European Parliament. Lords amendment 2 will simply put those commitments into the Bill, which is why it is so wrong for the Government not to accept it in principle.

Stephen Doughty: Is my hon. and learned Friend aware of the ICM poll for Avaaz, published in just the past two hours, showing that a clear majority of the British public supports a meaningful vote, with 52% supporting such a vote and only 27% saying the opposite?

Keir Starmer: I have seen that poll, which is of course important, but this is a matter of principle. This is a question of whether this House should be able to vote on the deal reached in two years’ time before the European Parliament votes and should be able to have a meaningful say, and that is what it has been, in principle, from start to finish.

Mr Bernard Jenkin (Harwich and North Essex) (Con): The amendment does not simply give this House the right to vote on these matters; it also gives the other place the right to vote on these matters. Will the hon. and learned Gentleman explain what would happen if this House voted to accept what the Government want to do, but the other place dug in and rejected it? What would happen then?

Keir Starmer: There is a reason why the amendment spells that out in detail: it is precisely what the Minister said at the Dispatch Box should be the position last time this was debated. Lords amendment 2 carefully reflects what the Government say is their assurance, so such a question about the amendment should be put to the Secretary of State.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. and learned Friend agree that, given the high level of uncertainty, the only sage and proper thing to do is to give us one more chance before the European Parliament has an opportunity to—[Interruption.]

5 pm

Keir Starmer: I would not put it as “one last chance”. The negotiations will lead first—I hope—to an article 50 agreement; secondly, to transitional arrangements; and thirdly to a final agreement between ourselves and the EU. That will define the future of the UK for generations in Europe and beyond Europe, and it is imperative that this House has a vote on that at the end of the two-year exercise.

Mr Pat McFadden (Wolverhampton South East) (Lab): I am grateful to my hon. and learned Friend for giving way. The discussion so far has been about a parliamentary vote in the event of the Government reaching a deal. Is it his interpretation of the Secretary of State’s speech today that, in the event of no deal, the Government seek the authority to default to WTO rules—which are not used by any major economy alone to trade with the EU—without this House having a say?

Keir Starmer: I am grateful for that intervention. That is my interpretation and it causes me great concern. We need to be clear: reaching no deal is the worst of all possible outcomes for Britain. The president of the CBI has described it as the “worst case scenario” for which many firms cannot even prepare because “the cost of change is simply too high to even consider it”.

Just yesterday, the director-general of the CBI, Carolyn Fairbairn, emphasised that no deal should not be “plan B”, but “plan Z”. I could not agree more.

Research published today by Open Britain warns that leaving the EU without a deal would leave Britain facing greater barriers to trade with the EU than any other G20 country. The cross-party Foreign Affairs Committee warned on Sunday that “a complete breakdown in negotiations represents a very destructive outcome leading to mutually assured damage for the EU and the UK. Both sides would suffer economic losses and harm to their international reputations.”
That is why having a vote not only on a deal if there is one, but on no deal, is so important. It represents a check on the Prime Minister deciding to take the country down the most dangerous path. That is why I urge Members, including those on the Conservative Benches, to vote for the amendment.

Mr Baron: Does the hon. and learned Gentleman accept, at least in principle, that this Parliament made a contract with the British people at the referendum to respect their wishes with or without a deal? Does he agree?

Keir Starmer: There was one question on the ballot paper, and that was whether we should stay in the EU or leave the EU. There was no second question about the terms of leaving. It is impossible to extrapolate, but I would be staggered if most people thought that this House should not have a proper grip of the available options in two years’ time and hopefully beyond. I expect that they would have said, “Of course we want Parliament to be fully involved. We would expect accountability and scrutiny, and we would expect votes.”

I shall conclude, because we only have two hours and other people wish to speak. These are simple amendments that would improve the article 50 process. They have obtained cross-party support and large majorities in the Lords, they are the right amendments on vitally important issues, and the obsession with the idea of a clean, unamended Bill should not triumph over decency and principle.

Sir Oliver Letwin (West Dorset) (Con): I agree with what my right hon. Friend the Secretary of State said about amendment 1, but I wish to speak about amendment 2. The operative provision is subsection (4) which states—I want to remind the House as it is material to what I am about to say:

“The prior approval of...Parliament shall...required in relation to any decision by the Prime Minister that the United Kingdom shall leave the European Union without an agreement”.

I have already argued in past debates exactly what my right hon. Friend argued today—namely, that if that subsection were to have its intended effect, it would be inimical to the interests of this country, because it would have the undoubted effect of providing a massive incentive for our EU counterparts to give us the worst possible agreement. I agree with him about that. However, I think that the situation is worse—far worse—than he described, because the operative subsection is deeply deficient as a matter of law. The reason for that is not just the one that Lord Pannick admitted, or half-admitted, in the House of Lords, but because under very plausible circumstances this subsection will not have anything like its intended effect. Let me briefly illustrate why that is the case.

Article 50 of the treaty on European Union is, for once in treaties, entirely clear. Paragraph 3 of the article states:

“The Treaties shall cease to apply to the State in question...two years after the notification...unless the European Council...unanimously decides to extend this period.”

Let us imagine that what the Secretary of State, the Government, all my hon. Friends and, I suspect, all Opposition Members hope will not be the case—namely, that the negotiations for a proper comprehensive free trade agreement break down—actually happens. We all hope that will not happen, but we cannot preclude the possibility that it will happen. If it does happen, I think all Members on both sides of the House must have the emotional intelligence to recognise that it is quite probable that would be under circumstances of some acrimony.

How likely is it that under such circumstances, with agreement having broken down in some acrimony, the European Council would be able to achieve a unanimous agreement to allow the UK to remain a member beyond the two-year period? I speculate that it is very unlikely. If we assume that that were to occur, we need to ask ourselves what would actually happen under those circumstances. One thing can be predicted with certainty: there would be litigation. The litigation would ask, ultimately, the Supreme Court to decide the question, “What has happened here? Has the Prime Minister made a decision, or has the Prime Minister not made a decision?” That could be decided in one of two ways. I rather think that Members on both sides of the House would agree with me that the Supreme Court must decide either that the Prime Minister has made the decision or that the Prime Minister has not made the decision.

Let us suppose for a moment that the Supreme Court decides that the Prime Minister has not made a decision, because it has been made instead by the European Council—a perfectly plausible outcome of the Court’s proceedings. In that case, subsection (4) is totally inoperable. It has no effect whatsoever, because what it does, purportedly, is to prevent the Prime Minister from making a decision without a vote. If the Prime Minister has, in the ruling of the Court, made no decision, it is impossible for her to have made a decision without a vote; therefore, the law has been conformed with, and Parliament is not given any ability to vote on the matter.

Sir William Cash (Stone) (Con): I entirely agree with my hon. Friend, and there is a further point. When it comes to the competing legislation at that point, it would be for the courts to consider whether or not the provisions in the Lisbon treaty that dealt with the question of article 50 had somehow been qualified, amended or repealed by a subsequent enactment.

Sir Oliver Letwin: I entirely agree with my hon. Friend, but it seems to me that for this purpose we do not even need to raise that question, because there is only one other possibility in this Court action—that the Court decides that the Prime Minister has implicitly made the decision. I do not quite know how the Court would get to that answer, but we could speculate that if the Prime Minister acted differently in the course of the negotiations, the European Council would have acted differently, so implicitly the Prime Minister has made the decision.

Under those circumstances, subsection (4) would, purportedly, come into effect. That is, I suppose, what its authors intended. However, if the European Council has not by the end of the two-year period made a unanimous decision and if the courts decided that the Prime Minister had thereby implicitly decided, the courts would be requiring Parliament to do something that it is impossible to do—namely, to get the Prime Minister to reverse a decision that, as a matter of ordinary language, the Prime Minister would not have made at a time when the Prime Minister could not undo a decision that, as a matter of ordinary language, the European Council had made.
I am perfectly aware that it is of the greatest importance for Members of this House to show due deference to the other place, and I also genuinely admire the skills of the authors of the amendment, but I put it to them that even the House of Lords in all its majesty cannot compel the Prime Minister to do something that is impossible. That is beyond the scope of any human agency.

John Redwood: Is that not evidenced by Lord Pannick himself arguing seriously in court that the letter is irreversible?

Sir Oliver Letwin: I agree with my right hon. Friend, although the Supreme Court went to great pains not to refer the matter to the European Court of Justice, for very good reasons, so we can leave even that argument aside.

My point is very simple. Either subsection (4) would have its intended effect or it would not. If it did, it would be inimical to the interests of this country, because it would induce the worst possible agreement to be offered—as a matter of fact, it will not have that effect in plausible circumstances—and if it did not, it would be bad law. I put it to you, Mr Speaker, that this House should not be passing legislation that either is inimical to the interests of this country or constitutes bad law, and that we should therefore reject the amendment.

Stephen Gethins (North East Fife) (SNP): This is a very timely debate about amendments that go to the heart of the situation in which we find ourselves. The Scottish National party has made it very clear that we want much more detailed reassurance—perhaps the odd detail or two from the Government—and that is where the amendment on EU nationals comes in.

The Secretary of State may have caught the First Minister’s statement earlier today, in which she made it very plain that this was not the situation in which we wanted to find ourselves. In fact, the Scottish Parliament voted by 92 votes to zero, across political parties, that we should look at ways of securing our relationship with Europe. It is a critical relationship that we have with our European partners, one that has an impact on, and benefits, each and every one of us; but, nearly nine months after the EU referendum, we still do not have that much in the way of detail from an increasingly clueless Government.

The most detailed response to the referendum so far came in the form of a compromise proposed by the Scottish Government just before Christmas. That compromise—let us not forget this—would have meant Scotland leaving the EU against its will to protect our place in the single market. It was a big compromise, and it took a lot from the Scottish National party to put it forward, especially given that Scotland had voted overwhelmingly to remain part of the European Union. We did it in order to protect jobs, the economy, and opportunities for young people and their environment in the face of a hard Tory Brexit.

The Fraser of Allander Institute has suggested that we could lose up to 80,000 jobs in Scotland alone as a result of the Government’s plans. We have a responsibility to protect those jobs, we have a responsibility to think about opportunities for young people, and we have a responsibility to think about the rights that we receive from our membership of the European Union. We have a responsibility not to just roll over in the face of a disastrous Tory plan.

Mhairi Black (Paisley and Renfrewshire South) (SNP): Last Friday I met representatives of a major bus company in Scotland, who said that 17% of the company’s bus drivers were EU immigrants. They said that the only reason they were not experiencing the haemorrhaging of talent that their counterparts down south were experiencing was the First Minister’s reasonable, sensible and inclusive message that EU nationals were welcome. Does my hon. Friend agree that the UK Government could benefit by conveying such a message?

Stephen Gethins: My hon. Friend makes an excellent point. I want to come on to the point about EU nationals shortly. It is not just in Scotland that jobs are threatened.

Crispin Blunt (Reigate) (Con): Perhaps the hon. Gentleman could tell us, on the same analytical basis, how many jobs would be lost in Scotland if it left the UK?

5.15 pm

Stephen Gethins: That is the extraordinary basis on which this is debated. My honourable colleague from the Foreign Affairs Committee forgets that it is his own Government who have already told the people of Ireland that they need not choose between the European Union and the UK, just as Scotland need not choose between trading with the UK and the rest of the EU.

Charlie Elphicke: Will the hon. Gentleman give way?

Stephen Gethins: No, I will make progress.

If we pass the Bill today, we will be passing this Government a blank cheque on one of the most crucial issues that this Parliament has ever discussed, an issue that will have an impact on each and every one of us and each and every one of our constituents. Let us not forget that we will be handing a blank cheque to a Government who are forced to deny their own tweets, who corrected a White Paper that had already been published and who are trying to defend yet another shambolic Budget. That is the Government this place would be handing over a blank cheque to. Frankly, I am not sure we could trust them to run a bath, or a bidet for that matter, never mind a complex set of negotiations.

The Secretary of State said that he has seen the best and each and every one of our constituents. Let us not forget that we will be handing a blank cheque to a Government who are forced to deny their own tweets, who corrected a White Paper that had already been published and who are trying to defend yet another shambolic Budget. That is the Government this place would be handing over a blank cheque to. Frankly, I am not sure we could trust them to run a bath, or a bidet for that matter, never mind a complex set of negotiations.

The Secretary of State said that he has seen the best of parliamentary debate in this place over the course of the Bill. It is nice to hear him say that because he spent millions of pounds trying to prevent us from having that debate in the first place. The basis of a parliamentary democracy is that we can scrutinise and do not roll over and acquiesce in the face of damaging plans. That is exactly what we would be doing by handing over a blank cheque.
David Rutley (Macclesfield) (Con): Will the hon. Gentleman give way?

Stephen Gethins: Not at the moment.

It is the House of Lords, of all places, that has given us another opportunity today to save the House of Commons’ blushes. We will be voting for a meaningful vote today, although of course we would also have wanted a greater role for the devolved Administrations.

Sammy Wilson (East Antrim) (DUP): Will the hon. Gentleman give way?

Stephen Gethins: Not at the moment.

The lack of respect for the devolved Administrations, and the promises that were made and subsequently broken during the independence and EU referendums have led us to the situation we are in today. During the independence referendum, we were told that the only way Scotland could guarantee remaining part of the EU was to vote against independence. We were told that the only way to bring in powers over immigration was to vote to leave the EU—more costly and broken promises. That is why the First Minister is right to be looking at this country with 36% of the vote in the UK and less than 15% of the vote in Scotland.

Mr Nigel Evans: As the hon. Gentleman knows, I feel very passionate about the fact that EU citizens living in the United Kingdom should be allowed to continue doing so; they add so much to our economy and culture, and it would be a human tragedy if they were forced to leave. However, I suspect that hundreds of thousands of Scottish people are living in other EU countries. Does he not believe that they too ought to be given the same guarantee at exactly the same time?

Joanna Cherry (Edinburgh South West) (SNP): My hon. Friend is talking about the human element for EU nationals. On Friday afternoon, my constituent, Diemanta McDuff, a Lithuanian, attended my surgery in hysterical tears, saying that the uncertainty caused by this Government and this Parliament is making her feel worse about her personal situation in Britain than she did in Lithuania under the Soviets. [Interruption.] Those are the words of a constituent. Does my hon. Friend agree that this Parliament should be ashamed to be causing such uncertainty?

Stephen Gethins: I thank my hon. and learned Friend for raising that point, which is important. Many of us have listened to EU nationals, who contribute so much financially and culturally and who would be a loss to this country—to the whole of the UK. Therefore, I am not sure why the Government cannot give us what we seek.

Mr Nigel Evans: I am going to keep my comments as brief as possible so that as many Members as possible can speak. I spoke when we last considered, effectively, Lords amendment 2 in its new form, and I just say this: it is surely perverse that we are in a situation whereby if there is a deal it comes back to this place and we debate it and vote on it, but if there is the worst scenario—which is no deal—we are not entitled to that say that or vote. That simply cannot be right.

This is not a debate about Brexit. We have had that vote; the question is whether or not Scotland is going to be taken into the abyss with this Tory Government. I am glad that SNP Members have an alternative, and the alternative is clear. It is one that respects the will of the people of Scotland, that seeks to work with our partners on these islands and across Europe, and that will allow us to prosper as an equal and normal partner in the international community of nations. Therefore, we will be opposing the Government tonight.

Anna Soubry (Broxtowe) (Con): I am going to keep my comments as brief as possible so that as many Members as possible can speak. I spoke when we last considered, effectively, Lords amendment 2 in its new form, and I just say this: it is surely perverse that we are in a situation whereby if there is a deal it comes back to this place and we debate it and vote on it, but if there is the worst scenario—which is no deal—we are not entitled to that say that or vote. That simply cannot be right.

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Stephen Gethins: The hon. Gentleman makes my point for me: the Scottish Government are looking to protect Scotland’s relationship with Europe, and, what is more, if EU nationals are as important to Conservative Members as they are to us, they will vote with us tonight, to give them the certainty they need and deserve. I look forward to the hon. Gentleman joining me in the Lobby.

EU nationals who have made Scotland and the rest of the UK their home contribute much; they make this a better place in which to live and work, and they make our communities better. These are people with families and jobs. If the Conservatives care so much about them—and to give these people certainty—there is something very simple they can do: they can join us in the Lobby tonight, for a change. The House of Lords has given them another opportunity.

This goes to the heart of the question of the kind of country—[Interruption.] Conservative Members would do well to listen to the point being made this time. This goes to the heart of the question of the kind of country in which we would like to live. Do we want to live in a country that is open and inclusive, working in co-operation and collaboration with our European partners, or in a UK that is increasingly isolated in Europe and abroad? It now seems like this is a choice that people in Scotland are going to get.

Today, we are sitting on the edge of the abyss with this vote; the question is whether or not Scotland is going to be taken into the abyss with this Tory Government. I am glad that SNP Members have an alternative, and the alternative is clear. It is one that respects the will of the people of Scotland, that seeks to work with our partners on these islands and across Europe, and that will allow us to prosper as an equal and normal partner in the international community of nations. Therefore, we will be opposing the Government tonight.
against my Government, is this intransigence—this inability to accept that in the worst-case scenario this place is not going to be allowed a say. And for this Secretary of State, of all Members of this place, with his fine track record of establishing, and fighting at every opportunity for the sovereignty of Parliament, to be standing up and denying us that on this particular issue is deeply ironic.

Mr Baron: Will my right hon. Friend give way?

Anna Soubry: Because I am being generous, I will.

Mr Baron: But does my right hon. Friend not accept the simple point that this place made a contract with the British people at that referendum—[Interruption.] The Scottish National party might not like it, but it is true. Therefore, if there is a good deal, we will take it, and if there is not, the Prime Minister has made it very clear that we will not accept a bad deal, so we move on, and we move out of the EU.

Anna Soubry: My hon. Friend forgets that there was just one question on the ballot paper—did we want to remain in or leave the EU—and 52% of the people who voted chose to leave. That is what we are doing. We—some of us—on this side have honoured that result and voted for us to leave. Now, however, we are talking about the sovereignty of this Parliament and about what would happen in the event that our Prime Minister does not strike a good deal. I trust our Prime Minister to do everything that she can, and I will support her in her efforts to get that good deal, but let us be under no illusion that if she does not do so, there will be no alternative but WTO tariffs, regulations and rules, and the people in my constituency certainly did not vote for that—

Mr Baron: So?

Anna Soubry: My hon. Friend says “So?” I can assure him that it is not only me but our Prime Minister who takes the view that falling off a cliff edge would be the worst possible outcome for the people of this country. That is the one thing that we must ensure does not happen. In the light of that, we in this place must assist the Government with what happens next.

There is going to be a remarkable set of negotiations to achieve three bespoke deals on trade, customs and security—in what will actually be an 18-month timeframe. But let us say that that worst-case scenario happens and that there is no deal at the end of that. If I may, I should like to say to Opposition Members, especially those in the north of Ireland—

Mr Nigel Dodds (Belfast North) (DUP): Northern Ireland.

Anna Soubry: Northern Ireland. The right hon. Gentleman needs no lessons on my support for the efforts and work of Northern Ireland Members. The real danger that we face is the cliff edge and, as a result, the hard border in Ireland that none of us wants.

In two years’ time, things might well have changed remarkably in this country, not just politically but economically. Economically, having had the buoyancy of a devalued pound and people actually spending on the basis of their savings, inflation might then have kicked in and we could find that our economy was no longer in the fine fettle that it appears to be now. Politically, we could be facing great harm in every way possible through the break-up of the Union, with the Scots going their own way following a referendum and, tragically for Northern Ireland, with talk of a united Ireland or a breakdown of the peace that has lasted for some years. In the light of that, all the options must remain open for us to debate and decide upon. We could, for example, decide to restore the free movement of labour and consider the benefits of the single market, which would solve the problem for Northern Ireland and for Scotland.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Does the right hon. Lady agree that this is not only an issue of principle, in regard to parliamentary sovereignty and having a meaningful say, but an issue of good practice? We should not swallow the argument of an incentive to offer the worst possible deal. Lords amendment 2 would instil discipline and accountability in the Government as well as among our negotiating partners, because at any stage the Prime Minister would be able to say, “I can’t agree to that, because I have to sell it to Parliament.”

Mr Speaker: Order. Interventions must be brief. We have very little time.

Anna Soubry: I want to close by saying this, Mr Speaker. The idea that, by doing the right thing and allowing us to have a vote and a say in the event of no deal, we would somehow be weakening the Prime Minister’s negotiating hand is absolutely perverse. It is as though all these deliberations and all the divisions that still exist in our country are not being reported throughout the whole of Europe. It is as though all this is taking place in some kind of silence. Everyone in Europe knows how divided our nation is. They know about the deliberations in this place and in the other place. They also know that, of those who voted, only 52% voted for us to leave the European Union. I urge the Government, for the sake of bringing unity not only to our party but to the country at large, to allow Parliament’s sovereignty to reign and, in the event of no deal, to allow us to have a vote and a say.

Mr Nick Clegg (Sheffield, Hallam) (LD): I must declare an interest, because the political is personal for me on the issue of EU citizens in the United Kingdom, as I suspect it is for many other Members in this House. The two most important women in my life—my mother, who is Dutch, and my wife, who is Spanish—are directly affected by this. While they are of course special to me, I none the less think that their fate, and the uncertainty that they have endured, is typical of the constituents of many across the House. My mother has lived here for more than 50 years. She has raised four children. She has worked as a teacher. She has paid her taxes. My wife loves this country—most of the time. She does not love the weather, but she loves this country. She is raising children, paying taxes, and working as a lawyer. It simply beggars belief that people like them and millions of others have had a question mark placed over their status, their piece of mind, and their wellbeing in our great country because of the action, or rather the shameful inaction, of this Government.
5.30 pm

**John Redwood**: The question mark has been placed there by the EU, not by this Government. If the EU said today that our citizens abroad are safe, all EU citizens here would be safe.

**Mr Clegg**: The right hon. Gentleman would start blaming bad traffic on the EU if he could. It is absurd. We picked the fight, not the EU. His party picked the fight; the EU did not.

I have one observation that I want to press the Secretary of State on. Even if he gets the deal on the issue of EU citizens here and UK citizens there, which I sincerely believe he wishes to seek, and even if that goes as smoothly and quickly as he has suggested today, there is no earthly way that this Government can separate the 3 million EU citizens who are already here from the millions who may, after a certain cut-off date, want to live, study, and work here without creating a mountainous volume of red tape.

**Mr Iain Duncan Smith** (Chingford and Woodford Green) (Con) rose—

**Mr Clegg**: Remind me, was freeing ourselves from red tape not one of the principal reasons why the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) and so many others told us that we should leave the European Union? Yet this Government are going to create a tsunami of red tape, which EU citizens, including my mum and my wife, will rightly resent just as much as this Government have always resented red tape in Brussels. The particular irony is that the Secretary of State and I worked closely together in this Chamber as Opposition party spokespeople 12 years against the then Government’s attempts to impose ID cards, yet I predict that he and his Government will have to introduce something not identical but strikingly similar to the paper trail behind ID cards.

**Mr Duncan Smith** rose—

**Richard Graham** (Gloucester) (Con) rose—

**Mr Clegg**: I must make progress; there is very little time.

Turning to the other, perhaps more meaningful amendment, the double standards that we have just heard about red tape are duplicated several times over by the double standards of Brexiteers saying, “We should free ourselves”—at any cost—“from the lack of democratic accountability in Brussels,” when the first thing they do is undermine and weaken the principle of democratic accountability in this House. I have listened closely to the Government’s case for rejecting that amendment, including today, and there is no first principle argument against it, because they concede to the principle of a vote; they just do not like us having the freedom to decide what that vote should be on.

The Government have come up with laughable arguments, which we have heard repeated here today, including that if we have just the bog-standard, plain vanilla accountability exerted by the House of Commons and the other place on any announcement made by the Prime Minister in two years, that will serve as an incentive for the EU to give us a bad deal. By that logic, the only Governments who can successfully negotiate good international agreements are dictatorships. They are not; they are democracies. Democracy can co-exist with good international agreements.

I have come to the conclusion that the reason the Government are digging their heels in as stubbornly as they are is that they somehow think that they will strut their stuff and impress our soon-to-be EU negotiating partners by indulging in parliamentary and procedural machismo here. Who do they think they are kidding? Do they think that Angela Merkel has put everything aside to look at this debate this afternoon? Do they think that she has said, “Oh, look at the way that No. 10 unceremoniously evicted Lord Heseltine and other venerable parliamentarians from their jobs. We had better give them a good deal”?

Does the Secretary of State think that Michel Barnier, whom I know well and know the Secretary of State knows well—a hardened EU negotiator if ever there was one—is saying, “Oh well, we’d better lower the price tag because they are being so tough with their own people”? It is a ludicrous assertion. So I simply say to Government Members, at this last, 59th second of the eleventh hour of this debate on these amendments: stubbornness can be a sign of suspicion and weakness, not strength; rejecting the rightful, conventional role of the House of Commons and the other place to apply democratic accountability to the actions and decisions of the Executive can be a sign of weakness, not strength; and this specious argument that condemns the lack of democratic accountability in Brussels while undermining it here, in the mother of all Parliaments, is a sleight of hand that should not be lightly forgotten.

**Mr Mark Harper** (Forest of Dean) (Con): It is a particular pleasure to follow the right hon. Member for Sheffield, Hallam (Mr Clegg), as he and I spent a number of years working together in coalition government. I know that was not enormously fruitful for all those on my side, but I thank him for his remarks.

Let me deal with one opening point and then refer to the amendments, rather than making a general speech. One observation to make, which comes back to the right hon. Gentleman’s point about process, is that we sent to the House of Lords a short, well drafted and tightly focused Bill. Usually, the House of Lords argument and its criticism of this House is that we send it long, badly drafted and ill thought through legislation, which the House of Lords then has to improve. In this case, we sent the other place a short, tightly focused, well drafted Bill that does one very specific thing; it then made the Bill longer and reduced the quality of the drafting. In this case, we should help their lordships out this afternoon by getting rid of their poorly drafted amendments and sending the Bill back to them in the same expertly drafted form in which it started.

**Sir Edward Leigh** (Gainsborough) (Con): The simple truth is this: deal or no deal, vote or no vote, positive vote or negative vote, this process is irreversible; we are leaving the EU and that is what the people want.

**Mr Harper**: I am grateful to my hon. Friend for that.

Let me now deal with the two Lords amendments that my right hon. Friend the Secretary of State is inviting the House to disagree with. The first one relates
to EU nationals, and I have listened carefully to the debate we have just had on it. I believe I heard the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) suggest to the Secretary of State during it, from a sedentary position, that he could put people’s minds at rest by accepting the amendment. I fundamentally disagree with that.

If we read what the amendment actually says, as opposed to what people have asserted it says, we find that all it says is that the Government should bring forward proposals within three months to deal with people who are legally resident in Britain. I think this is faulty for three reasons. First, the inclusion of “three months” puts in place an arbitrary time limit, which will be decided by judges if people challenge it. This may happen in the middle of the negotiation process that the Secretary of State is going to carry out to secure the rights of British citizens and it could well disrupt that process.

The second and more important point is about the fact that the amendment refers to those who are “legally resident” in the country today. Two groups are involved here, and I would like to be more generous to one and less generous to the other. The first group comprises those whom we have discovered perhaps did not understand EU legislation, which says, “You are legally resident here if you are a student or you are self-sufficient only if you have comprehensive health insurance.” Many people fail that test; I think it would be sensible for us to take a generous approach when legislating for people to be able to stay here, but the amendment, as drafted, does not suggest we do that. I think the Government could be more generous to EU nationals who are making their lives here than the amendment proposes—I think that would be welcome.

John Redwood: Does my right hon. Friend agree that if we get to the point where all our proceedings, debates and votes have to be put into legislation and are subject to court action, we cannot proceed—we will cease to be sovereign?

Mr Harper: That point is very well made and it leads me on to my next point. There is another group of EU nationals, who are unlike those we have already been talking about, whom we all want to protect and are here working and contributing. A significant number—although they are only a small percentage—of EU nationals in Britain have broken the criminal law. There are 4,500 EU nationals in prison. They are legally resident in this country. Lords amendment 1 would mean that when they were released from prison after they had served their sentence, it would be very difficult for my right hon. Friend the Home Secretary to do that. I think the amendment could be more generous to those who come here to work, contribute and study, but to be less generous to those who come here to break our laws and violate the welcome we give them and the trust we place in them. I do not want to fetter the hands of Ministers in doing that. The amendment is poorly drafted and does not provide that reassurance, so I ask the House to reject it.

The final thing I shall say about EU nationals relates to the point made by the hon. and learned Member for Edinburgh South West (Joanna Cherry). I listened carefully to what she said about her Lithuanian constituent—I hope her constituent will forgive me, but I did not catch her name. I hope that when she was talking to her constituent, the hon. and learned Lady was able to reassure her by explaining the clear assurances that the Prime Minister of her country has placed on the record about wanting to make sure that people like that constituent are able to stay.

Joanna Cherry: Will the right hon. Gentleman give way?

Mr Harper: I hope the hon. and learned Lady is able to confirm to the House that she said that.

Joanna Cherry: I am very happy to confirm exactly what my constituent said, as the right hon. Gentleman has brought it up. She cannot apply for permanent residency because she does not have comprehensive sickness insurance. I advised her that the Exiting the European Union Committee, on which I serve, has asked the Government to rectify that matter and that, as yet, they have not done so.

Mr Harper: I am pleased that the hon. and learned Lady made that point. Had she listened to my remarks, she would have heard me say that there are constituents who thought they were here legally, but, because they do not have comprehensive health insurance, are not actually legally resident. As drafted, Lords amendment 1 would not provide such people with reassurance. I said that, as a former Immigration Minister, I would be minded to be generous to constituents like the hon. and learned Lady’s, which is why I want a deal and for my right hon. Friend the Home Secretary to introduce immigration legislation to sort out the situation. The amendment would do no such thing, and people should not mislead anyone by telling them that it would. My hon. Friends should reject it.

Mr Baron: Will my right hon. Friend give way?

Mr Harper: If my hon. Friend will forgive me, I shall move on to Lords amendment 2, because I am conscious that other Members wish to speak.

Lords amendment 2 is about a meaningful vote. Essentially, the issue falls into two parts. The Government have already said that they will bring decisions before the House if the Prime Minister strikes a good deal both on our article 50 divorce negotiations and on our future trade relationships. There is, though, a good reason for not putting this in statute: as soon as we do, we enable people to challenge the process—to go to court and frustrate the ability of this House and the Government to conclude the negotiations.

On the final part of Lords amendment 2, which my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) set out very carefully, there are two parts to my objection. First, I do not agree with the Labour party. If we say that either the House of Commons or the House of Lords is able to frustrate our leaving the EU in the event of getting a deal that we do not think is a good one, I think they will absolutely do so. I listened
carefully to what my right hon. Friend the Member for Broxtowe (Anna Soubry) said, and I could not help but think that the conclusion to her remarks was that she wanted us to stay in the EU if we got a bad deal. That seemed to be the conclusion of what she said.

Anna Soubry: I am grateful for the opportunity to make myself clear. I said that if we do not get a deal, the matter should come back to Parliament and we should consider all options, given the circumstances that we would find ourselves in. It may well—[HON. MEMBERS: "Ah!"]—I am so sorry; I thought we lived in a democracy, but I have obviously got that completely wrong. It is hard to see how we would go back on our decision to leave the EU.

Mr Harper: I listened carefully to my right hon. Friend. As I have said before in the House, the referendum asked an unconditional question: whether we should remain or leave. We did not say to the public—that some people think that we should have done—"If we get a really fabulous deal, we should leave." I was on the remain side of the argument, but I accept that the people of the United Kingdom made a different decision. It behoves us all to support the Prime Minister in getting the best possible deal, given that we are leaving. Even if there is a bad deal that we cannot accept, we are still leaving the European Union. That is why I urge my hon. and right hon. Friends to disagree with both Lords amendments.

Several hon. Members rose—

Mr Speaker: Order. Only 40 minutes remain. I am keen to call as many hon. and right hon. Members as possible, but I need Members to help each other.

5.45 pm

Hilary Benn (Leeds Central) (Lab): The right hon. Member for Forest of Dean (Mr Harper) argued that we should not support the two amendments because they are justiciable; on that basis, we might as well pack up and go home, because everything that we put in legislation is justiciable.

I rise to support the two amendments, and I draw the House’s attention to the unanimous recommendation of the Select Committee on Exiting the European Union, which I have the privilege of chairing: the Government should now make a unilateral decision to safeguard the rights of EU nationals in the United Kingdom. I say to the Secretary of State that the only argument against doing that, and against the Lords amendment, is that someone might be prepared to put the status of those 3 million EU citizens into play in the negotiations. That raises the question of how exactly that would be done, and to what purpose. It is precisely because the Secretary of State, and indeed the Prime Minister, have been so clear in saying to the House “We intend to ensure those people’s status and rights” that no one in the Chamber believes that the Government would be prepared to put those people’s status into play in the negotiations. If the Government are not prepared to do that, why not do the right thing now, and tell those people that they can stay?

Mr Chuka Umunna (Streatham) (Lab): Is the Government’s position on EU citizens not based on a fiction? If they did not grant EU citizens the right to stay, presumably they would remove those who could not stay from the United Kingdom, but the Minister for Immigration has said that the Government do not know where EU citizens are in order to remove them from the United Kingdom. It is an empty threat, so why cause all this stress?

Hilary Benn: I agree with my hon. Friend entirely. The whole House knows that that course of action cannot be contemplated, so the Government should follow the advice of the Select Committee.

On Lords amendment 2, I listened carefully to the arguments that the Secretary of State advanced, but I say to him gently that I do not think they would have persuaded him in his previous incarnation, before he became Secretary of State for Exiting the European Union. Let us just pause for a moment on the point that the right hon. Member for Sheffield, Hallam (Mr Clegg) raised about the incentive to offer a bad deal. If that argument holds any sway, it held sway when Ministers said at the Dispatch Box, “Yes, we will give you a vote on a draft deal.” It cannot be the case that if the Government offer a vote on a draft deal, it does not raise the possibility of a bad deal being offered, whereas if we in this House vote to put that vote on a deal on the statute book, it does raise the possibility of a bad deal being offered. The two arguments are wholly inconsistent, and the House is not persuaded.

I also listened carefully to the language used by the Secretary of State, who I see is engaged in earnest conversation. He talked about our being able to act without our hands being tied, and to pass the Bill “without any strings attached”. We in this House are not strings; we are part of our democracy, and we are very attached to that democracy. Lords amendment 2 is not about seeking to reverse the decision of the referendum. Like the right hon. Member for Broxtowe (Anna Soubry), I and many others voted for this legislation because we respect the outcome of the referendum, but it is about Parliament deciding, in either eventuality, on how we leave the European Union. There is a terrible irony here. We are hearing the voices of those who, in the course of the referendum, used the restoration of parliamentary sovereignty as one of their principal arguments for voting to leave the EU, but whose enthusiasm for that sovereignty disappears in a puff of smoke when the House is asked to put that sovereignty on the statute book.

Finally, I say to the right hon. Gentleman that it is now time to put behind us the matter of who voted leave or remain in the referendum. We should come together and put aside division, including the division that is being urged on us by others in this Chamber. I say to him that having Parliament behind him in these negotiations and knowing that, in the end, the Government must account to Parliament for what they are able to achieve in those negotiations is not a weakness for this country, but a strength, and the sooner the Government recognise that, the better.

Seema Kennedy (South Ribble) (Con): I campaigned for remain in last year’s referendum, believing that it was in the best medium-term economic interests of my constituents. I did so having stood on a manifesto that promised the British people a vote on our membership of the EU and that promised to honour the result of the referendum whatever the outcome.
We must remember in this place that a record number of people—a massive 72% of electors—turned out to vote on 23 June, bucking recent electoral trends. Many of my constituents, already in their 40s, had never ever voted before because they thought that, until then, their voices and their votes did not count. They voted in June for the first time. Contrary to what commentators on both the left and the right say, these people are not simpletons, and they are not children; they are adults with as much right to vote as any of us. They knew the risks of voting to leave and they did so anyway. We must respect that decision and not seek to undermine it.

Seema Kennedy: No, I will not give way, because there are so many Members who wish to speak.

The Bill before us is the legal mechanism by which the Prime Minister can begin withdrawal negotiations. All Members, on whichever side of the House they sit and whichever nation they represent, must wish that these negotiations are successful. There is no doubt that those negotiations will be protracted and difficult, but it is in the best interests of our constituents that we give our Prime Minister and her team of Ministers the strongest hand possible. Lords amendment 2 hampers the Prime Minister and her team of Ministers the strongest hand possible. Lords amendment 2 hampers the Prime Minister can begin withdrawal negotiations.

Helen Goodman: How?

Seema Kennedy: If the hon. Lady listens, I will elucidate.

The preconditions required would mean that whatever the British negotiating team were to say, our EU counterparts would think that they could frustrate, delay or even veto any deal. Certainty was the No. 1 priority in the Prime Minister’s Lancaster House speech. How can there be any certainty for our businesses, our constituents or even our European partners if there is a prospect of endless review by this place?

Stella Creasy (Walthamstow) (Lab/Co-op): Will the hon. Lady give way?

Seema Kennedy: I have already said that I will not give way.

Lord Hill, who is a man of great experience in EU negotiations, said this of our European counterparts:

“They need to know that what our negotiators say our negotiators can deliver.”—[Official Report, House of Lords, 20 February 2017; Vol. 779, c. 32.]

I therefore urge all right hon. and hon. Members to reject the Lords amendments and give the Prime Minister the strongest possible hand in her negotiations.

Alex Salmon: I have only three points to make in the time that I have available.

When my hon. Friend the Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) asked the Secretary of State whether he would be prepared to deport these European nationals in our midst, he said, rather significantly: “No, of course not, not somebody with my liberal credentials stretching over so many years.” That is the case, and it would be the case for every Member here—with perhaps one or two exceptions whom we shall not name. The vast majority of this House would not countenance ever doing that, which is why, as the right hon. Member for Leeds Central (Hilary Benn) has just said, those European nationals cease to be any sort of bargaining chip. Even if we thought that the International Trade Secretary was right to say that they were an important card to play—even if we thought that that was acceptable language—they are not a card that we can play. It is like a nuclear deterrent: if we are not going to press the button, it is not a deterrent. If we are not prepared to follow through on deportation or to use people in that way, it cannot be a bargaining chip or a card to play. Therefore, the correct course of action for the Government is, unilaterally, to accept and secure the position of our fellow citizens working and contributing among us. There is no possibility of their being effective as a bargaining chip in negotiations. I call on the Government to do the right thing and accept Lords amendment 1.

Yesterday, the nation was transfixed as we tried to interpret the latest Government policy on Brexit. Should we follow the advice of the Foreign Secretary, who was on one channel, when he said that it would be no problem if we had to resort to World Trade Organisation terms? Or should we follow the advice of the International Trade Secretary, who on another channel was saying, yes indeed, it would be a problem? In fact, we were all watching the wrong people. We should have been watching the Brexit Secretary on the “Andrew Marr Show”: because he was actually getting to the guts and the nub of the problem. Andrew Marr asked, “So what happens if they don’t accept it?”—referring to our voting down the deal that the Government bring to us in a meaningful vote. The Brexit Secretary answered, “That is what’s called the most favoured nation status deal with the World Trade Organisation.”

When this Bill was in Committee, the right hon. Member for Leeds Central and others were trying to tempt a commitment out of the Minister of State when he appeared at the Dispatch Box with a flourish—with as much of a flourish as the Minister’s parliamentary style allows—and told us that the Government intend us to have a meaningful vote. Member after Member asked him what would happen in this meaningful vote if we decided to reject the Government’s terms. We had the answer yesterday from the Brexit Secretary: WTO terms. It is absolutely clear: our deal or no deal; our way or the highway. No vote can be described as meaningful if the alternative is the damage of WTO terms.

Given your injunction to be brief, Mr Speaker, I will come to my final point. We are asked why we do not just accept the word of the Brexit Secretary and these other chaps and chapesses in the Government when they tell us that we do not need to put things into legislation. Can I quote a little bit of history here and show Members what assurances we have been given in Scotland on this legislation? On 15 July last year, The Daily Telegraph said:

“Theresa May has indicated that...she said she will not trigger the formal process for leaving the EU until there is an agreed ‘UK approach’ backed by Scotland.”

I admit that that does not come from Hansard, but surely The Daily Telegraph is the nearest the Tories can have to an Official Report. That promise has been swept away. That commitment has been broken, as indeed was the reaction to the Scottish Government’s argument to
keep us all within the single market. It was not regarded seriously, and we were not even consulted before the Prime Minister dismissed that as an alternative.

Then there was the compromise: let Scotland stay within the single marketplace, even if this Government are determined to drag the rest of the UK out of it. That was not even given serious consideration. We have had no substantive reply in the past three months, because, in their arrogance, this Government believe that the views of the 48% across the UK, of the Members of the House of Lords, of the Tory Back Benchers who have their doubts, and of the nations in this country, two of which voted for remain in the referendum, do not matter. They can be swept aside as we proceed headlong to the hard Brexit cliff edge. Today, in Scotland, perhaps the Government were disabused of that notion, because there might not be a meaningful vote in this Chamber, but there shall be a meaningful vote in Scotland about protecting our millennium-long history as a European nation.

Several hon. Members rose—

Mr Speaker: Order. With extreme brevity now from both sides of the House, I call Sir William Cash.

Sir William Cash: First, this is a very simple Bill that is merely about notification and triggering. It is as simple as that. Secondly, the plain fact is that judicial review, which my right hon. Friends the Members for West Dorset (Sir Oliver Letwin) and for Forest of Dean (Mr Harper) dealt with so well, would be a gift to the courts and the lawyers. It really is completely inappropriate. My third point is on the question of parliamentary sovereignty. The fact is that the issue today is not about parliamentary sovereignty. In fact, it is about undermining a decision that has been made by a referendum of the British people that was itself conferred by a sovereign Act of Parliament. That is the distinction and that is what we need to concentrate on.

My last point is simply this: we cannot tie the Prime Minister’s hands. It is inconceivable that we would legislate, make that judicially reviewable and, at the same time, pass amendments the effect of which would be to introduce a Committee of Parliament that would decide on questions that have to be decided on by the Government. Our constitution operates by parliamentary government, not by Committee of Parliament, otherwise we would go back to the 17th century; and I invite people to look at the Barebones Parliament.

6 pm

Emma Reynolds: I rise to make two brief points. First, if we do not deal, now or in the next three months, with the issue of EU nationals here or UK nationals in the EU 27, those people will get caught up in the negotiations, because the Council is due to respond to the triggering of article 50 in May or June, after the French elections on 7 May. We expect the Council to give Michel Barnier a mandate at around that time. If the Government continue to drag their heels on this issue, which is important not only for EU nationals here, but for our nationals elsewhere, the certainty and uncertainty provoked will affect those people and their livelihoods for two years. What are the Government going to do once the formal negotiations begin on article 50, on the money and on all the things about which there will be such acrimony? How will the Government avoid EU nationals here and UK nationals in the EU being part of those negotiations? The Secretary of State did not provide an answer to that question. We have a short window of time, which will probably start tomorrow and end sometime in May or June.

Secondly, I reiterate something said by the right hon. Member for Brextoxe (Anna Soubry) in her eloquent speech. Some hon. Members on the Government Benches want us to leave without a deal, but what deal is worse than no deal? I find it difficult—in fact, impossible—to conceive of one. There is not one, and the right hon. Lady said that very clearly. Is falling back on WTO rules, with all the tariffs and obstructions to trade that go with that, better than some other deal that the Government can conceive of? What is this weird deal that they are talking about? There simply is not one. This House needs to have a say, whether there is a deal or not.

The Government have given very little clarity about what happens if—we are told that they are preparing for this eventuality—a deal is not agreed between the UK and our European partners. That would be the very worst situation. The Secretary of State has spent his political career espousing and promoting parliamentary scrutiny and sovereignty—well, he used to, before he got his current position. Could we really leave the EU without a deal and without this Parliament having a say? Of course we could not. Why do the Government not just admit that and put it on the face of the Bill?

Several hon. Members rose—

Mr Speaker: Order. A three-minute limit on each Back-Bench speech will now apply.

Mr Grieve: I want to support the Government in carrying out an efficient and effective Brexit but, after listening to some of the contributions this afternoon, I think I am living in wonderland.

I will focus solely on Lords amendment 2, particularly subsection (4). The first thing to understand is that, as matters stand, there will be a need not for resolutions of this House, but for primary legislation to complete the process. In fact, there will be a need for primary legislation even if we have no deal at all. I do not know when the Government want to deal with that. They could conceivably try to do it during the course of the great repeal Bill, but they have not suggested that that is what the great repeal Bill—which is, in fact, an entrenchment Bill—is all about. So it seems that if there is no deal at the end of the process, there will have to be primary legislation passed by this House, if that has not already been done. Interestingly, far from the Lords trying to lead to great litigation, their view—if the Government bother to read Lord Hope’s speech—was that litigation could be avoided by tabling the amendment and providing for a resolution mechanism at the end. I can promise my hon. and right hon. Friends who think that there is some whizzo way of getting around the litigation that, if they do not follow proper constitutional process, there will be litigation, and that litigation will hold matters up.

Now, I am not so concerned about amendment 2. I am concerned about getting an assurance from my right hon. Friend the Secretary of State for Exiting the European Union that, if there is no deal at the end of
the process, which will be a very significant moment in this country’s history, Parliament has an opportunity to debate and vote on that. Far from that being an obstruction of the process, I would expect it to be part of the normal constitutional process and the Government to seek the endorsement of the House for that very significant act. I worry that my right hon. Friend—who, I think, personally may well agree with me—has been prevented from saying that at the Dispatch Box. I am afraid that I am not prepared to follow processes that appear to be, frankly, deranged.

There is a clear way of doing things. If we follow them, we will come up with the right decisions at each point; if we do not, we will mire ourselves in chaos. I want to support the Government, but I have to say, most reluctantly, that if we persist with this, I cannot support the Government this evening when it comes to amendment 2. I am very sorry about that. I would like to be able to support the Government because the critique of the Lords amendment has some force, but someone has to put down a marker that we have to follow a proper process in the way in which we carry out Brexit.

Chris Leslie (Nottingham East) (Lab/Co-op): I commend the right hon. and learned Member for Beaconsfield (Mr Grieve) for his speech. Notwithstanding my obvious support for the Lords amendment on EU nationals, I urge Government Members to think carefully about what they are being asked to do by Ministers today. The Lords have already inserted into the Bill the amendment to give Parliament a meaningful vote, and Ministers are asking hon. Members tonight to wrench that out of the Bill and delete it. As the Bill stands, it provides that parliamentary scrutiny and authority. Government Members should ask themselves whether they really want actively to go through the Lobby and delete that from the text of the Bill.

Ministers have asked hon. Members to do a number of things. They say, “Don’t tie the hands of the Prime Minister. Whatever you do, give her unfettered power to negotiate in whatever way she likes.” I say to those Ministers and to hon. Members that we should not be putting power entirely in the hands of one person—the Prime Minister—without any insurance policy whatever. With the greatest respect to Ministers, the Prime Minister decides who is on her Front Bench, and parliamentary democracy is the insurance policy that we need throughout the process. We should not be frightened or shy of that. We should welcome it because it is a strength and it is a part of the process.

The Government say, “Take back control.” Yet at the same time they are asking us to muzzle Parliament for the next two-year period by saying, “Well, whatever happens, Parliament may not have a say on that.” We could find ourselves in circumstances where the European Union offers a really good deal but the Prime Minister, singularly, on her own—or his own, of course, because it depends on who the Prime Minister is in two years’ time—could say, “Absolutely no deal.” This Parliament would have no choice but to accept that. We would have no say on the matter.

Ministers ask us to accept their verbal assurances. Well, Ministers are here today, but could be gone tomorrow. May I speculate that we could have a different Prime Minister by the time we get to spring 2019? Who knows? It is possible that the right hon. Member for Uxbridge and South Ruislip (Boris Johnson)—the Foreign Secretary, no less—could be Prime Minister one day. He said at the weekend that it would be “perfectly okay if we weren’t able to get an agreement.”

He could be Prime Minister—Government Members do not know—and that would be the situation we would have to face, with no votes and no rights for Parliament. Verbal assurances are not sufficient.

Mr Duncan Smith: Under your instructions, Mr Speaker, I am going to be brief. I want to deal specifically with the first amendment—I thought the second amendment was dealt with by my right hon. Friend. The Members for West Dorset (Sir Oliver Letwin) and for Forest of Dean (Mr Harper).

We have heard a lot in this debate, and we heard a lot in the other place, about the emotional end of what it is to give EU citizens some kind of reassurance, and I myself am publicly on the record as saying I would like to have done that by this point. However, I remind people that we also have UK citizens. The ex-leader of the Liberal Democrats, the right hon. Member for Sheffield, Hallam (Mr Clegg), rightly went on about his own family, but I have a sister who has lived and worked in Italy pretty much all her life, and she has retired there. It behoves this place not to dismiss the concerns and worries of such UK citizens quite as lightly as they were dismissed in the other place and have been dismissed here today. I actually heard it said from the Opposition Benches that the reason we should not be so concerned about those UK citizens is that many of them are older and, therefore, pensioners, so they are less important. That is wrong, and I encourage the Government to stick to their plans to deal with the two issues together.

However, the thing about the amendment is that it is not actually what all this emotional argument is about. For those who want to guarantee these rights, this is not the amendment for doing so—it actually does the exact opposite, and that is for two reasons. First, it does not reassure EU nationals over here. I have had conversations with various EU nationals, and they do not feel in the slightest bit reassured by the idea that we are going to call the Government back three months after we have triggered article 50 to ask them what they plan to do. That is no reassurance, and it does not give EU nationals their rights, so we are not voting to reassure them at all.

The second element is that the amendment actually damages the Government’s position in the negotiations. Let us imagine there has been no agreement about what to do with UK citizens. On the three-month mark, the European Commission knows full well that the Government will be dragged back to the House to explain publicly what their plans are, regardless of the negotiations. I can think of nothing worse than to bind their hands in the worst way possible and make sure that UK nationals do not get reciprocal arrangements.

My point tonight is that, whatever the realities of what people want, neither amendment satisfies the requirement to protect EU nationals or to give this Parliament a meaningful vote without damaging the prospects for the Government’s negotiations. I urge the House not to vote for the amendments, and I remind those on the Opposition Benches who talk endlessly about parliamentary sovereignty that, for the 25 years I have sat in this place,
all the arguments about the EU have been dismissed on the basis that we were not allowed to amend a single European treaty.

Helen Goodman: I wish to speak particularly to amendment 2, which is very similar to new clauses 99 and 110, which we debated about a month ago.

Conservative Members have complained about Lord Pannick’s drafting. When Ministers make that complaint, I feel it is slightly disingenuous, because they had the opportunity to amend the amendment. If they really felt the other place should not be involved, they could have changed the drafting to say not “both Houses of Parliament” but only “the House of Commons”, or they could have taken out subsection (4), which provides for what we do if there is no agreement with the EU. They have not done that, so they are making the bar higher for their colleagues behind them. In any case, either it is a problem that the House of Lords has a veto, because it is an unelected Chamber, or it is not a problem. It seems the Prime Minister made a promise that the vote would come to both Houses, so she does not seem to think it is a problem, and I do not know why it is being put up as a problem now.

The right hon. Member for West Dorset (Sir Oliver Letwin) took us on a long perambulation about what might or might not happen. That was completely unnecessary: if we had the amendment on the face of the Bill, we would, in effect, make it part of the constitutional arrangement, which, under article 50, has to be respected by the EU counter-parties in the negotiation.

Mr Grieve: The hon. Lady makes a very good point, because in the last debate we had, we discussed the possibility of being up against the wire. However, it seems to me on reflection that, in actual fact, if our own constitutional processes are not finished, we could not simply fall off the edge of the cliff until we had finished them, and I believe that to be the view of the lawyers in the European Commission as well.

6.15 pm

Helen Goodman: I am very grateful to the right hon. and learned Gentleman for that intervention.

The point I was going on to make was that it is obviously reasonable for us in this House to have a vote, not just because we all believe in democracy, and not just because the campaigners for leaving argued on the basis of parliamentary sovereignty, but because the European Parliament will have a vote. How can Ministers stand at the Dispatch Box and say it is all right to have constitutional arrangements that give Members of the European Parliament a vote and do not give us a vote?

There is one final thing I want to say about the risks of leaving without an agreement. The right hon. Member for Broxtowe (Anna Soubry) set out extremely well and 110, which we debated about a month ago. Several hon. Members rose—

Mr Speaker: Order. I would like to accommodate a number of other colleagues. It is not compulsory to speak for the full three minutes. There is a prize for anybody who can do it in a minute.

Dr Julian Lewis (New Forest East) (Con): Until the right hon. Member for Gordon (Alex Salmond) spoke, I was afraid I was the only person who was having a bit of a flashback to the endless nuclear arms control negotiations of the 1980s, and there are, indeed, a couple of parallels, to which I will allude very briefly.

The first, on Lords amendment 1, is that the question we are asking ourselves is whether we should make a one-sided gesture, regardless of the fact that it would leave our own citizens exposed. We made it clear from the outset that we would agree to guarantee the rights of EU citizens here if other countries would do the same for our citizens in those countries. Why is it that that suggestion has not been seized with both hands? One has to say that that indicates that there are some problems with the way in which the EU intends to go about its negotiations with us.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the right hon. Gentleman give way?

Dr Lewis: No, I will not.

The way forward would have been for the EU to say straightaway, “Yes, you’re making this offer. We accept it. No problem.”

However, the second point, on the second amendment, is the more important one. We have heard it said repeatedly from the Opposition Front Bench and from elsewhere in the Chamber that no deal is the worst possible outcome for Britain. Put another way, that is like saying that any deal at all is better than no deal, and I would like to draw a parallel with those arms negotiations in the 1980s. The most successful negotiations were those that led to the treaty in 1987, when we got rid of all the cruise missiles and Pershing missiles on our side, and the Russians got rid of all the SS-20s. It happened like this: we carried out our threat in the negotiations, and the other side walked away from the negotiating table, but when they saw we meant it, they came back, and they gave us a better deal. What we have to remember is this: no deal may lead to a better deal a year or two down the road. If you are determined to take any deal rather than no deal, you will end up with a much worse deal than you might otherwise have had.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I shall vote against both the amendments on the simple basis that this Bill has one purpose and one purpose only: to give legal effect to the decision of the people on 23 June. Any amendments that go beyond that are inappropriate to the Bill.

However, I look to the Secretary of State to give firm assurances that his top and first priority will be the rights of EU citizens; that he acknowledges that that will require a bespoke EU citizenship right to remain, to accommodate such problems as health insurance; and that we will act on that as our opening gesture in the negotiations, to set the right tone.

Several hon. Members rose—

Mr Speaker: Order. Let us try for two speeches of two minutes each.
Mr Dominic Raab (Esher and Walton) (Con): I will vote against the amendments tonight. I want briefly to address amendment 2 on the final vote. As others have said, it is quite wrong for noble Lords to abrogate for the other place a right of unelected peers to veto Brexit at the 11th hour. But more than that, it would be entirely counterproductive as a matter of diplomatic practice, with Jean-Claude Juncker talking about the possibility of the UK rejoining the EU, to start these negotiations signalling that a lousy deal might lead the UK to reverse its decision. That would be surest way to elicit the worst terms. I understand the legitimate concerns and anxieties in all parts of the House at this very delicate moment for our country’s history, but the truth is that we cannot legislate away legitimate concerns that we have, whether we voted leave or remain, and we cannot legislate for every permutation of these negotiations. We have to trust the Government and support the Government. Yes, scrutinise this, but for heaven’s sake do not weaken it at the very outset of these crucial negotiations. We have debated a one-clause Bill for six weeks.

In summing up, I want to draw approvingly on the view expressed in other place by the noble Lord who headed up the remain campaign—Lord Rose. He made it very clear that in his view the Government should be given the flexibility they deserve and need to get the best deal for the country, and that it is incumbent on all politicians of all parties to rally behind the Government so that they can get the best deal for the whole country. I commend the noble Lord, and I will vote against the amendments.

Several hon. Members rose—

Mr Speaker: Order. The Secretary of State would like a minute to wind up, with the leave of the House. I am bound to say that that seems reasonable, but I require the co-operation of the hon. Member for Brighton, Pavilion (Caroline Lucas) and of the House.

Caroline Lucas (Brighton, Pavilion) (Green): We live in very strange times. The campaign to leave the EU was based to a very great extent on the idea of restoring parliamentary sovereignty. Indeed, the Government’s White Paper asserts:

“The sovereignty of Parliament is a fundamental principle of the UK constitution.”

Yet Ministers seem set on opposing any attempt to guarantee a meaningful role for Parliament in the process of withdrawing from the EU. Instead we are being asked to write a blank cheque to give Ministers power to withdraw the country from the EU on whatever terms they like—or worse, on no terms at all. Ministers seem to regard their colleagues as little better than lemmings. Faced with the prospect of falling off the cliff edge, we are apparently meant to suspend all judgment and blindly follow wherever they lead. But to allow Ministers to proceed in this way would be an extraordinary and unforgivable abdication of parliamentary responsibility. The manner and terms on which we withdraw from the EU will have implications for the rights and interests of every citizen and business for many years to come, and Parliament must take responsibility for these decisions.

The final deal on trade with the EU will almost certainly need to be ratified at both national and federal level of each EU member state. Lords amendment 2 simply gives the UK Parliament the same power. Do Ministers really want this Parliament to be the single most underpowered of all European Parliaments during that process?

I appeal to colleagues to defy the whipped-up anger of the anti-European press, and to stand up to the ridiculous notion that any and every attempt to give Parliament a role in the Brexit process is somehow a betrayal of the will of the people. It is no such thing—it is simply the exercise of the judgment that we were elected to bring to this House. We were not elected to be lemmings.

Mr David Davis: With the leave of the House, in 60 seconds, Mr Speaker. I start by thanking hon. Members for their valuable contributions. We have heard some formidable speeches. Perhaps that reflects on me. I liked best the ones that were made at my expense.

I will deal very quickly with some of the more important issues. The right hon. Members for Wolverhampton South East (Mr McFadden) and for Sheffield, Hallam (Mr Clegg), and the hon. Member for North East Fife (Stephen Gethins), spoke passionately about the rights of the 3 million. I agree. I care equally passionately about the 4 million. I am afraid that I do not agree with the Chairman of the Brexit Committee on the right hon. Member for Gordon (Alex Salmon) in saying that we are using these people as bargaining chips. We are not. By treating them as 4 million, we are stopping any of them being bargaining chips and getting an outcome that will reflect well on this House and on the European Union.

With regard to amendment 2, my right hon. Friend the Member for West Dorset (Sir Oliver Letwin), in a brilliant exposition of the Alice in Wonderland consequences of subsection (4), told us why my right hon. Friend the Member for Forest of Dean (Mr Harper) was right to say that we should stay out of the law in these matters.

The simple truth is that last time round we in this House passed this Bill unamended by a majority of 372. I hope that we will send it back with a similar majority and that the House of Lords respects that rejection of the amendments.

6.26 pm

Two hours having elapsed since the commencement of proceedings on consideration of Lords amendments, the debate was interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83F). That this House disagrees with Lords amendment 1.

The House divided: Ayes 335, Noes 287.

Division No. 178

AYES

Adams, Nigel
Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, waiter
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen

[6.25 pm]
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warman, Matt
Wkinson, Dame Angela
Wharton, James
Whately, Helen
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 Ayes:
Heather Wheeler and Jackie Doyle-Price

NOES
Abbott, rh Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Anderson, Mr David
Arkesll, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Chalk, Alex
Champion, Sarah
Chapman, Douglas
Chapman, Jeremy
Cherry, Joanna
Clegg, rh Mr Nick
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowen, Ronnie
Coyle, Neil
Crausby, Sir David
Crawley, Angela
Creasy, Mary
Cressy, Stella
Crudas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debonaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elford, Clive
Elliot, Julie
Elliot, Tom
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Fletcher, Colleen
Flint, Caroline
Flynn, Paul
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
Gray, Neil
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
Hendry, Drew
Hepburn, Mr Stephen
Heron, Lady
Hillier, Meg
Hodgson, Mrs Sharon
Hollem, Kate
Hosie, Stewart
Hug, Dr Rupe
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Johnson
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinahe, Danny
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, rh Mr Angus Brendan
MacTaggart, rfh Fiona
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Maskell, Rachael
Matheson, Christian
Mathias, Dr Tania
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, rh John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McIntyres, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Moon, Mrs Madeleine
Mordren, Jessica
Morriss, Grahame M.
Mulholland, Greg
Mullin, Roger
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Nicholson, John
O’Hara, Brendan
Olney, Sarah
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Oswald, Kirsten
Owen, Albert
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Philips, Jess
Phillipsop, Bridget
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Robinson, rh Geoffrey
Rotheram, Steve
Ryan, rh Joan
Salmond, rh Alex
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulp
Skinner, Mr Dennis
Slaughter, Andy
Smeth, Ruth
Question accordingly agreed to.
Lords amendment 1 disagreed to.

The Speaker then put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).

Question put, That this House disagrees with Lords amendment 2.

The House divided: Ayes 331, Noes 286.

Division No. 179] [6.40 pm

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Blues, Nick
Bone, Mr Peter
Bowrick, Victoria
Bottemley, Sir Peter
Bradley, rh Karen
Brady, rh Graham
Brazier, Sir Julian
Bridgen, Andrew

Davies, Glyn
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djiongty, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Donnies, Nadine
Double, Steve
Dowden, Oliver
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliot, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Epinchke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suelia
Field, rh Frank
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, rh Mr Nick
Gillan, Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Griffiths, Andrew
Gummer, rh Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Haselhurst, rh Sir Alan

Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hoey, Kate
Hollingbery, George
Hollinrake, Kevin
Hollondone, Mr Philip
Holloway, Mr Adam
Hopkins, Kelvin
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jerrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Khinanah, 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 Sir Oliver
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCarty, Karl
McLoughlin, rh Sir Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny

Noes

Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Spellar, rh Mr John
Starmier, Keir
Stephens, Chris
 Stevens, Jo
Streeting, Wes
Tami, Mark
Thewiss, Alison
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Ummuna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, rh Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wisbart, Pete
Woodcock, John
Wright, rh Mr Iain
Zeichner, Daniel

Tellers for the Noes:
  Nick Dakin and
  Jeff Smith

Smith, David T. C.
Davies, Chris
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djiongty, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle

Hollingbery, George
Hollinrake, Kevin
Hollondone, Mr Philip
Holloway, Mr Adam
Hopkins, Kelvin
Hopkins, Kris
Howarth, Sir Gerald
Holloway, John
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jerrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Khinanah, 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 Sir Oliver
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCarty, Karl
McLoughlin, rh Sir Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Question accordingly agreed to.

Lords amendment 2 disagreed to.

Motion made, and Question put forthwith (Standing Order No. 83H), That a Committee be appointed to draw up reasons to be assigned to the Lords for disagreeing to their amendments 1 and 2;

That James Berry, Paul Blomfield, Stephen Gethins, Mr David Jones, Jessica Morden, Christopher Pincher and Jeremy Quin be members of the Committee;

That Mr David Jones be the Chair of the Committee;

That three be the quorum of the Committee;

That the Committee do withdraw immediately.—(Graham Stuart.)

Question agreed to.

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.
Ways and Means

Budget Resolutions

AMENDMENT OF THE LAW

Debate resumed (Order, 9 March).

Question again proposed.

(1) That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for any relief, other than a relief that—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

6.56 pm

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): It is entirely right that at this pivotal and exciting moment in this country’s—[Interruption.]

Mr Speaker: Order. Before the right hon. Gentleman develops his speech, may I gently say to those Members who—unaccountably—are leaving the Chamber before the oratorical fireworks the Foreign Secretary will volunteer that it would be greatly appreciated if they could do so quickly and quietly, so that we can proceed with the debate and the right hon. Gentleman can enjoy the certainly quiet and even possibly—if he is lucky—respectful audience that he seeks?

Boris Johnson: As I was saying before your kind advice to Members, Mr Speaker, it is right that at this pivotal and exciting moment in our international economic relations, not just with the EU but of course with the 93% of the world that does not live in the EU—shortly to be 94%—that I should be the first Foreign Secretary in more than 10 years to open a Budget debate. I do so with pride, because this is a Budget that will sustain the momentum of what is already one of the fastest growing economies in the west, with unemployment at its lowest for 11 years, the stock market 1,000 points higher than it was on 23 June, to pick a date entirely at random, and with more people in work—

Geraint Davies (Swansea West) (Lab/Co-op): Will the Foreign Secretary give way?

Boris Johnson: I want to make a tiny bit of progress. I will give way many times, but let me get to the end of my second sentence—more people in work than ever before. This is a Budget that continues and enables the biggest opportunity to our young people the funding and technical qualifications to enable them to realise their full potential. As Britain prepares for re-entry, as I call it, into the global economy and for forging new relationships and partnerships around the world, the Budget—

Tom Brake (Carshalton and Wallington) (LD): On forging new relationships, can the Foreign Secretary explain how he will do that when the Foreign and Commonwealth Office budget will be cut so substantially?

Boris Johnson: As the right hon. Gentleman well knows, we manage to run a world-class network—the most developed diplomatic network in the world—on approximately two thirds of the budget that the French spend, and we will continue to exercise the greatest prudence in managing our budget. I am fortified in that by the support that I have from the current Chancellor of the Exchequer, who was, of course, my predecessor in office. It is thanks to the Chancellor’s wisdom in his Budget that young Britons will be able to compete with confidence.

This is a Budget for global Britain. It is this Government’s argument not only that Britain is more outward facing by history and by instinct than any comparable economy, but that its global character is profoundly in the interests of the British people. A truly global Britain is a prosperous Britain, and it is Britain’s engagement with the world that means this country plays an extraordinary and indispensable role in the security, stability and prosperity of the world.

Jake Berry (Rossendale and Darwen) (Con): Specifically on the issue of global Britain and our new trading relationship, does my right hon. Friend acknowledge that one of the ultimate ways in which we could project the soft power and prestige of Britain around the globe is to recommission a new royal yacht for Her Majesty the Queen as a floating trade mission to be used by industry around the globe in the interest of our nation?

Boris Johnson: May I say how much I admire my hon. Friend for the indefatigable campaign he is running to create such a vessel? It is my view that it would indeed add greatly to the soft power of this country, which is already very considerable, if we were to have such a vessel, always provided—I know that this is part of his prospectus—that the new Britannia should not be a call on the taxpayer. If it can be done privately, I am sure it will attract overwhelming support.

Several hon. Members rose—

Boris Johnson: I believe that measures such as a new royal yacht—[Interruption.]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Why are people making such a noise when the Foreign Secretary is saying things that might be important? [Interruption.] Order. I would like to hear the Foreign Secretary.

Boris Johnson: I am grateful, Madam Deputy Speaker. The new royal yacht is one of a number of measures that I am sure this Government will be able to consider. In the meantime, we have before us a Budget that is helping to create the conditions in which this economy can continue to flourish.

The first of these conditions—

Several hon. Members rose—
Boris Johnson: If Labour Members will allow me, I shall say a couple more sentences.

The first of the conditions that are essential for the prosperity of global Britain is security. Unlike the Labour party, whose idea of a nuclear deterrent is to send our submarines to sea without a nuclear missile aboard so that the whole nation is literally firing blanks, this Government see the vital importance of maintaining our defences. This Budget therefore provides once again for the United Kingdom to set an example to our European partners by spending 2% of our GDP on our armed forces, thereby giving vital credibility to NATO, which of course serves as the guarantor of the security of all our major trading partners on either side of the Atlantic.

Chris Leslie (Nottingham East) (Lab/Co-op): On the point about our trading relationships, at the weekend, the right hon. Gentleman said that it would be perfectly okay for the UK, if we left the European Union with no deal and to fall back on World Trade Organisation rules. Lord Heseltine said, “Well, that’s rubbish, isn’t it?” Is it rubbish?

Boris Johnson: I repeat what I said at the weekend, and I am delighted that the hon. Gentleman was paying attention. I do not believe, by the way, that it will come to that, because we will have no difficulty over the next couple of years in doing a deal that is very much in the interests of both sides. I shall come on to that later.

To get back to the defence of the planet, let me remind Members that we are not only committed to transatlantic defences, as we will also spend £3 billion east of Suez in the Gulf region over the next 10 years. In fact we are reopening and restoring our role east of Suez, arguably for the first time since 1967. We are reopening a naval base in Bahrain, which makes perfect economic sense as well. If Labour Members cared about these things, they would understand that there is an absolute connection between our security and our economic prosperity, because the region of the Gulf—the Opposition probably do not know this—is our largest and fastest-growing export market apart from the EU and the US.

It does not end there either, because we are also committed to the security of the wider world, including Asia. Last year, as the House will know, the Royal Air Force sent Typhoon fighters to Japan, South Korea and Malaysia, proving that Britain remains one of the handful of countries able to deploy air power 7,000 miles from its shores. Soon the Royal Navy will have two giant aircraft carriers, each of them longer than the Palace of Westminster—the biggest warships this country has ever possessed, HMS Queen Elizabeth and HMS Prince of Wales.

Owen Smith (Pontypridd) (Lab) rose—

Boris Johnson: I do not know whether the hon. Gentleman opposes those aircraft carriers as well. Perhaps he does. Perhaps he will enlighten us.

Owen Smith: Much as I am enjoying the Foreign Secretary’s travelogue, could we get back to the business in hand, which is the Budget? Will he confirm that the Office for Budget Responsibility has said that we are going to see less trade and less economic activity as a result of Brexit, and that we are going to borrow an extra £100 billion as a direct consequence of Brexit?

Boris Johnson: With great respect, I think we have heard enough of that sort of stuff over the last year or so. It has been proved convincingly to be wrong. As I said, the stock market is 1,000 points up. As for the deficit, which the hon. Gentleman mentions, we are bringing it down to below 3% for the first time since 2007—thanks to the prudent management of this country’s finances, and thanks to the Conservative-led Administration who had to take over the catastrophic mess that needed to be cleared up after his party was in office.

Owen Smith rose—

Boris Johnson: I would be obliged if the hon. Gentleman resumed his seat. I do not intend to give way to him again.

Sir Gerald Howarth (Aldershot) (Con): Will my right hon. Friend give way to me?

Boris Johnson: I will.

Sir Gerald Howarth: I am grateful. May I say how much I support the Government’s commitment to the 2% minimum on defence spending? However, does my right hon. Friend agree that we are going to need every penny of it, given in particular that the Chinese—my right hon. Friend mentioned east of Suez—are seeking to colonise militarily a number of uninhabited atolls in the South China sea, which is destabilising the region? Given that we are signatories to the five power defence arrangements, does he agree that we need to take action on that, and therefore increase the defence budget and not keep it steady where it is?

Boris Johnson: I am delighted that my hon. Friend makes that point. He reminds me that it was the leader of the Labour party, the current Leader of the Opposition, who had to take over the catastrophic mess that needed a defence policy at all. I think he said that we do not even need an Army, let alone any spending on the security and stability of the South China seas. I remind my hon. Friend that 25% of the world’s trade goes through the straits of Malacca, so it is more vital than ever that we have a truly global commitment.

Mike Gapes (Ilford South) (Lab/Co-op) rose—

Boris Johnson: I shall give way in a moment or two. I wish to return to the Budget. [Interruption.]

Madam Deputy Speaker (Mrs Eleanor Laing): Order, Mr Gapes.

Boris Johnson: I will give way in due course, but I wish to make this point, because I have been asked to return to the Budget. I do so with absolute pleasure, because it is thanks to the careful stewardship of this country’s finances that we are able to deploy not only hard power on the scale that I have mentioned—we are the second biggest military contributor to NATO—but soft power on a scale unmatched by any of our European partners. The BBC, our universities and the British Council, an absolute gem of this country and its culture—an unsung gem, I might add—give the United Kingdom a cultural penumbra across the world that is of massive economic value.
Mike Gapes: The Foreign Secretary has mentioned the British Council. As he knows, the British Council will no longer receive any funds from the British Government. At the same time, there are continuing pressures on our diplomatic missions around the world as a result of the budget crisis with which the Foreign and Commonwealth Office has had to deal. Can the Foreign Secretary tell us how many additional diplomats will be appointed to increase the FCO’s budget so that it is able to deal with the consequences of Brexit, which is what the Foreign Affairs Committee called for in a recent report?

Boris Johnson: I have to say that I am deeply disappointed that I finally gave way to the hon. Gentleman, because he has shown the most staggering ignorance of the British Council, of Foreign Office spending and of the success of our diplomatic network. However, I will give him the answer to his question. In response to the challenge and the opportunities that we have, we are increasing our representation: just in our European posts, 50 more diplomats and 25 new trade experts have been recruited. We are expanding a fantastic network, and that is on top of the enormous soft and hard power that we have. As I am sure the House will know, the United Kingdom is the third biggest contributor to development finance in the world, after the United States and the European Union. That is an extraordinary development finance in the world, after the United Kingdom is the third biggest contributor to that we have. As I am sure the House will know, the Secretary of State for International Development is being recruited. We are expanding a fantastic network, and that is on top of the enormous soft and hard power that we have. As I am sure the House will know, the United Kingdom is the third biggest contributor to development finance in the world, after the United States and the European Union. That is an extraordinary record, of which I think every Member in the House—certainly every member of this Conservative Government—should be proud.

Rushanara Ali (Bethnal Green and Bow) (Lab): I am glad to hear the Foreign Secretary talk about Britain’s soft power and its global reputation. Does he agree that he poses the biggest risk to both by putting his foot in his mouth on too many occasions?

Boris Johnson: I am terribly sorry; I missed the second half of that question. However, if the assertion was that British diplomacy is in any way falling short, let me say this. I believe that in the last few months we have seen an understanding of what the country wants, and a growing warmth towards our objectives, because they are, after all, shared with our European friends and partners.

As I have said, one of the things that are most admired by our colleagues around the table, not just in Brussels but in the United Nations, the G7 and the G20—all the bodies whose meetings I attend—is the fact that, as they realise, our Government have an extraordinary record of giving development aid. As we sit here now, the Department of my right hon. Friend the Secretary of State for International Development is helping the Pakistani Government to put 6 million girls through school in the Punjab alone. I think everyone appreciates that that is the best way of promoting economic growth, curbing infant mortality and reducing the pressures of a growing population.

We do not spend our aid budget—0.7% of gross national income—just because that is the right thing to do, although surely it is morally the right thing to do. I am not embarrassed to say that it is also the best way of promoting the development of the economies concerned, and thereby spurring the growth of our export markets. In that sense, a global Britain—[Interruption.] I did not think Labour Members would like that, because they are not interested in any policy that is so obviously of economic benefit to the country, but that is one of the reasons we are doing this. I speak as a defender of, and a believer in, globalisation, because millions of British people in our country—tens of millions, indeed—depend for their jobs and their livelihoods on the benign force of global free trade, which in turn requires safe and open shipping lanes, clear rules and effective institutions. None of that can be taken for granted.

Geraint Davies: Will the Foreign Secretary give way?

Boris Johnson: I think I have already given way to the hon. Gentleman. [Interruption.] I am sorry; I have not. Go on.

Geraint Davies: In the context of global free trade and, in particular, the judgment of the international financial markets, does the Foreign Secretary not accept that since 23 June our economy has slipped from fifth biggest to sixth biggest, and that those markets have deflated its value by 15%, which is why we have devalued and everyone’s wages and all our assets are 15% lower? That is not a success; it is a failure.

Boris Johnson: One would have thought that they would learn. One would have thought that the merchants of this kind of thing would have understood that there is no point in continually standing up and running our country down when, in fact, we are back up at No. 5. We have seen record investment in the United Kingdom, and we continue to see that the fundamentals of the British economy are strong and getting stronger.

Crispin Blunt (Reigate) (Con): Will my right hon. Friend give way?

Boris Johnson: I will in 10 seconds.

One of the reasons for that is the active role that we play in protecting and insisting on rules-based international order. And with that, I give way to my hon. Friend.

Crispin Blunt: My right hon. Friend talks of the importance of the development budget and what it brings to the United Kingdom. Will he at least accept that there is an issue over how that money is invested in, for instance, the British Council, and, indeed, cross-invested in elements of his budget? Will he accept that that policy can only be applied to the developing world, that it is rather more important for him to have the tools to present global Britain across the whole world, and that the policy should not be constrained by the source of the expenditure?

Boris Johnson: My hon. Friend speaks with great wisdom and authority. I know that the Foreign Affairs Committee, which he chairs, has made some useful recommendations on how we can maximise our overseas spending, and co-ordinate it so that it helps to deliver not only our security but our economic objectives. I totally accept that point.

In the pursuit of the system that we want to see, our diplomats and intelligence officers and our serving men and women, backed up by the Department for International
Mr George Howarth (Knowsley) (Lab): Will the Foreign Secretary give way?

Boris Johnson: Let me just conclude my thought about trade. Back in 1990, about 37% of our fellow human beings worldwide lived in absolute poverty. Today, that figure has fallen to less than 10%, which is all the more remarkable when we consider that the world population has risen by 1.8 billion in the interim. That dramatic fall in poverty, unparalleled in history, coincided with the biggest expansion of free trade and open markets that the world has ever seen. Conservative Members believe in that policy implicitly.

Mr Howarth rose—

Boris Johnson: I think that the right hon. Member for Knowsley (Mr Howarth) will agree with me when I say that the rules-based international order which we uphold in global Britain is an overwhelming benefit for the world as a whole.

Mr Howarth: Of course I agree with the Foreign Secretary. It is just a pity that on some occasions he does not seem to project that view when he travels abroad—but that is another problem.

A moment ago, when my hon. Friend the Member for Ilford South (Mike Gapes) asked him some questions, the Foreign Secretary dismissed them as ignorant. When the Chair of the Foreign Affairs Committee, the hon. Member for Reigate (Crispin Blunt), asked him exactly the same questions, he agreed with his hon. Friend. He cannot be right in both cases.

Boris Johnson: With great trepidation, I must correct the right hon. Gentleman. We travelled abroad together and both spoke the same sort of language at the time. Alas, the hon. Member for Ilford South (Mike Gapes) revealed the profoundest misunderstanding—let me put it no higher than that—of the exact state of the British Council’s finances. That was regrettable and worth correcting.

Thanks to my right hon. Friend the Chancellor, we are able to continue to support an active global Britain through the Budget, but there is of course much more to be done. Once we leave the EU, the Government will—we will all—regain a power that this country has not been able to deploy for 44 years, and that is the ability to conclude free trade agreements. The first and most important of those deals will be with our friends and partners in the EU. As the Prime Minister has repeatedly said, we are leaving the EU but we are not leaving Europe. To those who seriously doubt that we can pull it off in the next two years, let me remind them of the most essential point—that deal is profoundly in the interests of our friends and partners on the other side of the channel, who have a massive net balance of trade with us. They are optimistic. They are determined. I sometimes wish that we could have a little more of the same spirit from the Labour party.

Owen Smith rose—

Boris Johnson: Perhaps the hon. Gentleman will now say that he is abandoning his gloomadon-popping and that he is going to come up with something supportive of the British negotiating position.

Owen Smith: I am going to seek to support the Foreign Secretary’s getting back to the question of the Budget. He talks about trade being increased in future—as a result of Brexit, I presume. Does he therefore disagree with the view of the independent, Tory-created Office for Budget Responsibility that trade will be reduced as a result of our leaving the EU?

Boris Johnson: I must respectfully say to the hon. Gentleman that, again, he is being too pessimistic. If we look at the UK’s trade with the rest of the EU over the past 20 years, regrettably we see that it has been declining as a proportion of our exports. I would like to see it increasing again—why not?—but I would also like to see my right hon. Friend the Secretary of State for International Trade, who I am delighted to see sitting next to me, doing those free trade deals around the world. As the House will know, there is massive excitement and enthusiasm among our global partners to do just that. There is literally a queue of countries that want to do significant and substantial free trade deals.

Rachael Maskell (York Central) (Lab/Co-op): Does the Foreign Secretary agree with the Select Committee on Foreign Affairs, which just yesterday said:

“The possibility of ‘no deal’ is real enough to”

justify planning for it and that not to plan would be a mistake and constitute a serious “dereliction of duty” by the present Administration. That is your Foreign Affairs Select Committee.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. No, it isn’t. It is the Foreign Secretary’s Select Committee.

Boris Johnson: Madam Deputy Speaker, thank you. If I may, I will remind the hon. Lady of my optimism. I urge Labour Members to contain their pessimism. They asked me to name the countries that wish to do free trade deals. There are dozens. They have heard what the United States of America wants to do and that will be hugely in the interests of every part of this country. Right hon. and hon. Members may not know this, but at the moment the United States still has an embargo not only on British beef but on Scottish haggis. I do not know whether Members of the Scottish parties agree with that, but there is no way of liberating the haggis to travel across the Atlantic again unless we do a free trade deal with the United States.

Alan Brown (Kilmarnock and Loudoun) (SNP): I appreciate the—[Interruption.]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. This point might be about haggis and the House must listen to it.

Alan Brown: I appreciate the Foreign Secretary’s concern for Scotland’s exports. Does he still believe that a pound spent in Croydon is of far more value to the country than a pound spent in Strathclyde?
Boris Johnson: What I certainly believe is that a free trade deal with the United States and free trade deals for this country would be of profound benefit to the whole of the United Kingdom.

Since the hon. Gentleman has interrupted me, let me remind him that today is Commonwealth day, which provides an opportunity for us all to celebrate that remarkable institution which embraces one third of humanity and now includes some of the fastest-growing economies in the world—a free association of 52 countries, spread across every continent and dedicated to advancing the values that we share. I am proud to say that Britain will host the Commonwealth Heads of Government summit next year. Although we may not be able to sign free trade deals with our Commonwealth friends now, we can see them in outline and taking shape. Let me say this to our friends from the Scottish nationalist party, who seem so determined to wrench themselves out of the UK, even though they had a decisive referendum on the matter, as Members will recall, only a couple of years ago: never mind haggis; Scotch whisky exports to the Indian whisky market, a potentially huge market—the Indian thirst for whisky is colossal—account for only 4% of Indian whisky consumption. That is because at the moment, without a free trade deal, the Indian Government impose a 150% tariff on Scotch whisky.

Imagine a free trade deal that lifted the exports of Scotch to India by only a few per cent.—to, say, 6% or 10%. Dare to dream that Scotch whisky, which everyone in the House would concede is the original and authentic whisky, were slaking just 15% of that gigantic Indian thirst for whisky. We would be talking about an increase in profits for the Scotch whisky industry, for this country; we would be talking about an increase in profits for the Scotch whisky industry, for this country, for every year running into hundreds of millions of pounds. That means jobs, growth and investment for Scotland. It means the prosperity that comes with having a truly global outlook, which unfortunately Members on the Opposition Benches signally seem to lack.

Christian Matheson (City of Chester) (Lab): Will the Foreign Secretary give way?

Boris Johnson: Let me make some progress.

In that global marketplace, this Budget will allow young Britons to compete with the best by investing in the talents and skills of the rising generation—more than a hundred new free schools provided for; a thousand more PhD places specifically for science, technology, engineering and mathematics; and another £270 million for biotech, robotics and electric vehicles. There will be another £16 million for 5G mobile technology. That is building on and fostering a global reputation for innovation. Last year, we were ranked the third most innovative country in the world. We were one place above America, seven places ahead of Germany, 15 higher than France, and fully 21 places above China. That is the measure of the extraordinary intellectual fecundity of this country.

Cambridge University alone has produced more Nobel laureates than every university in Russia and China added together and multiplied by two. When those breakthroughs take place, when that spark of innovation takes place, we foster it, we encourage it and we give business every possible incentive to turn those brilliant ideas into world-beating products.

From next month, my right hon. Friend the Chancellor will cut corporation tax to 19%, and it will be 17% by 2020—the lowest of any G20 economy. And it is by creating the right business environment—by investing in infrastructure, skills, housing and technology—that we are not only building a platform for sustainable growth but creating a launch pad for the most extraordinary exports. As I never tire of telling my friends, we export tea to China and cake—chocolate cake—to France; we export bicycles, I am proud to say, made in London to Holland; we export TV aerials to South Korea, and boomersangs to Australia, I believe; I think we have at least once in the past exported sand to Saudi Arabia, and Nigel Farage to America, I am delighted to say.

On Friday—

Several hon. Members rose—

Boris Johnson: On Friday—[Interruption.] Opposition Members mock, and they may mock the entrepreneurial spirit and the exporting drive and originality of this country—[Interruption.]—but let me tell them that on Friday—

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The Foreign Secretary will give way when he is ready to give way; meanwhile, no shouting.

Boris Johnson: I will conclude with these thoughts. Last Friday, I was in my constituency of Uxbridge and South Ruislip, and I am proud to say that I visited a business on a backstreet in Uxbridge that has more or less cornered the market in manufacturing the fancy display cabinets used to sell delicacies such as Toblerone in every airport in Saudi Arabia, and it is expanding. Thanks to the ingenuity and enterprise of that business, if we go to a Saudi Arabian airport and buy a Toblerone, we will buy it over a counter made in Uxbridge.

Given the ingenuity that this nation is showing, I believe—

Dr Rosena Allin-Khan (Tooting) (Lab) rose—

Boris Johnson: I will not give way.

I believe that we have every reason to be confident in what we can achieve together, as one United Kingdom. This is a nation that in the last 300 years has become prosperous and successful precisely because it adopted a uniquely global outlook—active, engaged, and trading with every corner of the planet—not just for the benefit of the people of this country, but, I dare to say it, for the benefit of the entire world. This is once again the course on which we are now embarked, and this Budget will help us to fulfil our potential as a truly global Britain.

7.32 pm

Emily Thornberry (Islington South and Finsbury) (Lab): Let me start by saying that, like many other Members, it was my privilege this afternoon to attend the service of celebration for the Commonwealth at Westminster Abbey, in the presence of Her Majesty the Queen. In the context of tonight’s debate, it was a reminder of the powerful and historical ties that Britain enjoys all over the world; we are a country that will always face outwards and never turn in on ourselves, and, like the Secretary of
State, I hope that at next year’s service we will have another member of the Commonwealth present, as a democratic Gambia completes the process of re-admission.

I thank the Secretary of State for opening this evening’s debate on the Budget and Britain’s place in the world. It is an issue of vital importance, and yet one that, it is fair to say, has not been centre stage in the five days of the debate on the Budget. If someone had told us last summer that going into article 50 week the Prime Minister and the Chancellor would be at each other’s throats, at war through the media, and engaged in a desperate blame game, while the Secretary of State for Foreign and Commonwealth Affairs would be sent into the television studios to act for the Government as the voice of calm and unity, no one would have believed them. However, if this is indeed to be the Foreign Secretary’s new role—if he is going to be the new Willie Whitelaw figure, or, dare I say it, the new John Prescott—I congratulate him and wish him the very best of luck in the future.

Of course, there will be some unkind souls who look at the row between No. 10 and No. 11 and think it is exactly what the Secretary of State needed this weekend. In their cynical minds, had it not been for that row, much more attention would have focused on Sunday’s real heavyweight contest, the one the public really wanted to see explode, the one between the two Tory blond heavyweights: Hezza versus Bozza; Tarzan versus the Zip-Glider; the Dog-Killer versus the Dave-Slayer. We were denied a true fight, but we were left with these immortal words from Lord Heseltine:

“When I listen to Boris…he has turned the art of political communication into a science”

of using

“waffle, charm, delay, anything to stop actually answering questions.”

In the rest of my speech, I intend to ask some very straightforward questions on the Budget and Britain’s place in the world, and I hope that the Secretary of State will be able to answer them without waffle or delay, and with no more charm than he feels is absolutely necessary.

It is striking that we are here to debate a Budget that has almost nothing to say about Britain’s place in the world, and with even less to offer for it. I am sure that we could all have predicted some of the rhetoric that we have heard from the right hon. Gentleman tonight. Gentleman tonight about re-entry into world markets, a truly global Britain and an active global Britain. I predict that we will hear more about “brand Britannia” and terms such as “dynamic”, “agile”, “cutting edge”, “global powers”, “global reach” and “global influence”, and about the yacht and exporting boomerangs and so forth—but the question is this: what is the strategy for achieving all that ambition, and how does the Budget provide the resources to back it up? So far, we have seen no evidence of either.

It is not enough simply to want a relationship with Europe that has all of the benefits and none of the costs, and to be a leading global power at the same time, or to say, like Tinkerbell, that all we have to do to make it happen is believe that it is possible. Indeed, the right hon. Gentleman almost seems to be implying that if we do not believe, or if we ask awkward questions, somehow these things will not happen, and that fairies will start falling from the skies.

It has been said in this debate—no doubt it will be said again—that the Government are meeting their commitments to spend both 2% of GDP on defence and 0.7% on development, but while these seem like clear commitments, when we scratch the surface there are many unanswered questions, about how funding is split between the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development, and about how, where, why and on what this money is actually spent.

It seems likely that a large part of the Foreign Office budget over the next few years will come from funding streams that are nominally shared across Departments, most of them with blandly unobjectionable names such as the conflict, stability and security fund and the prosperity fund. The idea of shared funding is perfectly valid in principle, but we need to know how these funds will be used by the Foreign Office. How much will be classed as “aid” spending, and how much as “defence”, and, for that matter, how much will be classed as both? We need to know why there is so little transparency on this issue, and what kind of oversight there is to make sure that these funds are used responsibly. One might, if one was of a suspicious frame of mind, even conclude that the Government are being wilfully opaque in this matter, but I am sure that the Secretary of State will bristle at the very suggestion, and will want to do all he can to dispel such a thought from the debate.

Of course, the reliance of the Foreign Office—perhaps the over-reliance—on funding from outside its budget settlement is really just symptomatic of a much larger and much more damaging trend under this Government. Unlike defence or overseas aid, our diplomatic service lacks the financial security of a politically or legally binding spending target, and I am sorry to say that it shows. Of the three Departments that share most of the responsibility for “Britain’s place in the world”—the Foreign Office, the Ministry of Defence and the Department for International Development—the FCO’s budget accounts for just 3% of the combined total, despite the fact that it is every bit as essential as the other two.

I am sure the right hon. Gentleman saw the Financial Times on Friday, which highlighted the real change in Departments’ resource budgets between 2016-17 and 2019-20. It is no surprise—there was a great deal of fuss about this—that there has been a cut of 37.2% to Department for Communities and Local Government budgets, but which Department has the largest cut of all? It is the Foreign and Commonwealth Office, which has a minus 38.1% change to its budget. The Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Bournemouth East (Mr Ellwood) may shake his head, and if I am wrong, he should please tell me. I would be interested to see him go into battle with the Financial Times on this matter.

The Department’s budget is already very small, and it comes as no surprise that these cuts have had serious consequences for our standing in the world and for our global reach and influence. To start with, there has been a loss of expertise. We have seen the Government repeatedly being caught by surprise on events of great global significance such as the Arab spring, the crisis in Ukraine and the attempted coup in Turkey. There has been a hollowing out of expertise in these critical areas, not to mention a loss of skilled linguists. If the Secretary of
State can tell us what progress has been made on recovering Russian and Arabic language capabilities, for example, I should be very grateful.

**Mike Gapes:** My right hon. Friend is making a powerful case about the hollowing out of the FCO’s budget. On the question of linguists, has she seen the report on Russia from the Foreign Affairs Committee that we published last week? It describes the lack of expertise in the FCO for looking at Russia. Does she agree with me and the Committee that the FCO needs more resources if we are to confront and understand the problems being caused by Russia’s behaviour towards its neighbours?

**Emily Thornberry:** It is because I have read that report that I mention Russian language capabilities. In my view, the reports produced by the Foreign Affairs Committee are thoughtful and informative, and I recommend them to the Secretary of State. The Committee has raised a number of flags that need to be carefully considered, because changes are happening to our precious Foreign Office and we are losing capabilities that it will be very difficult to redevelop.

**Mr Stewart Jackson (Peterborough) (Con):** The right hon. Lady is making a reasonably cogent case—[Hon. Members: “Ooh!”] She is most welcome—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Hon. Members must not object when a Member is polite to someone on the other side of the House. That is being honourable.

**Mr Jackson:** That is a rare phenomenon in respect of the right hon. Lady, sometimes, Madam Deputy Speaker. On a serious point, is it not only fair to record that those of us who occasionally travelled to central and south America witnessed a shrinking of our footprint and our soft power as the previous Labour Government closed many of the embassies there? We also downgraded the Chevening scholarships. This is something that we now need to review urgently as we go forward post-Brexit.

**Emily Thornberry:** I am surprised to find myself agreeing with the hon. Gentleman to the extent that I do. It is important that we should stop and have a review. We need to look carefully at the 38% cuts that are being implemented by his Government at this crucial time for Britain. That is the point that I am making in this Budget debate. I believe that these issues need to be seriously addressed, and questions and answers about haggis are not sufficient when it comes to dealing with cuts of 38% to the Foreign and Commonwealth Office.

It is not just language skills that have suffered. Let us consider BBC Monitoring, a vital service that monitors and translates foreign news reports and serves as an indispensable source of intelligence for Government Departments, including the Foreign Office. By transferring the responsibility for its funding from the taxpayer to the BBC itself, the Government have left BBC Monitoring open to cuts, and last year saw the announcement of 96 job losses and the closure of 20% of its posts overseas. Is that responsible behaviour, at a time like this? Cuts such as those will continue to have effects as incalculable as they are far-reaching.

It turns out that what a Government choose to fund, or not to fund, can tell us a great deal more than just the short-term spending priorities of the Government as a whole. For the Foreign Office, those decisions can identify the most basic principles underlying the Government’s foreign policy approach. For perhaps the best example of that, we need look no further than the downgrading of human rights as a priority for the Department. They are now considered far less important than the so-called prosperity agenda—[Interjection.] I hear people saying that that is entirely untrue. Let me pray in aid the permanent secretary to the Foreign and Commonwealth Office, who has said precisely that. That decision has been confirmed as a more or less direct consequence of the cuts imposed by the Government.

It was not so long ago that a Tory Foreign Secretary, William—now Lord—Hague, was able to say with a straight face that there would be “no downgrading of human rights” under his Government. He argued that it was neither in our interests nor in our nature to have what he called a “foreign policy without a conscience”. I could not agree more, and he must surely be sharing our disappointment to see a Tory Foreign Secretary and a Tory Prime Minister practically tripping over each other to cosy up to the likes of Donald Trump. We used to think that there were some world leaders who would always unite the opinion of this House, and that Members on both sides always have the courage to speak out against those who did not share our values. These days, the Government’s values are obscure, to put it politely, beyond being in favour of trade, so the question is not just one of how much the Government are prepared to spend on the world-class diplomatic service that they want, important though that is; it is also a question of what they are prepared to do with the resources that they have.

**David Rutley (Macclesfield) (Con):** The right hon. Lady is making her points from the Opposition Front Bench, but does she not agree that the Government have made important strides on freedom of religion or belief? They held a conference a few months ago to help to promote those issues, not just in the Commonwealth but globally. As a member of the all-party parliamentary group on international freedom of religion or belief, I really appreciate that sort of action. It is very important, and it should not be downgraded by such talk from the Opposition Benches.

**Emily Thornberry:** That is to be acknowledged, but we must also look at what is happening within the various missions and at the posts that are being stripped out. Those whose job it was to make contact with human rights activists and with civil society within those countries—[Interruption.] If the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Bournemouth East, wishes to intervene on me, I will have no problem with that. However, if he is not going to intervene, he could be just as quiet and let me finish my speech? I would appreciate that.

I want to talk about what our foreign policy is, in essence. Ministers are fond of speaking of the opportunities that leaving the EU could provide. On foreign policy, a fundamental rethink of the Government’s approach could be one of those opportunities, but in fact it is more than that: doing so is an absolute imperative.
As the Government start to think—however belatedly—about the kind of relationship they might want with Europe, they should also consider what kind of relationship they want us to have with the rest of the world. In doing so, we need more than just warm words from the Government—we need a plan. Our Foreign Office has been at its very best when it has been allowed in its foreign policy to give proper weight to British values as well as to British interests. I hope that the Secretary of State will look to that legacy and embrace and build on it, rather than undermining it any further. In the more immediate term, we need the Government to start thinking sensibly about Europe as a matter of urgency. We know little more about Ministers’ intentions than that they are prepared to break the British economic model if they feel that that is needed if we do not get a deal.

I heard the Secretary of State say at the weekend that we would be “perfectly okay” if we left the EU without a deal. So why is the Chancellor of the Exchequer briefing that he is going to hoard £60 billion because of Brexit? Perhaps it is to fund the extra £350 million a week that the Secretary of State promised for the national health service. If so, I hope that the Secretary of State has asked the Chancellor about it, because £60 billion would provide three years, three months and one week’s worth of extra money for the NHS. At the moment, he seems to be doing no more than crossing his fingers and hoping for the best. This is a serious situation. We need clear thinking about our future in Europe and in the wider world, and simply talking about Tolberone display cabinets in Saudi Arabia is not sufficient. We need clear thinking and a clear plan, and we need them without any further delay.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order.

It will be obvious to colleagues that a great many people want to speak and, although we have plenty of time, I am going to set a time limit immediately for Back-Bench speakers. Otherwise, the people who speak at the beginning will take three times as long as the people who speak at the end, which is what happened last week. So we will start with a time limit of eight minutes.

7.49 pm

James Morris (Halesowen and Rowley Regis) (Con): I totally agree with the Foreign Secretary that today—at this moment—we are presented with a massive opportunity to create a new form of global Britain. I particularly agree with his points about Britain’s soft power. Just to clarify the point about the British Council, the figures I have heard suggest that there will be a 43% rise in FCO funding by 2020, reflecting the seriousness with which we are taking the opportunities for Britain’s soft power. I particularly welcome the £7 million of new capital investment for further education that was announced in the Budget as part of the midlands engine strategy, but more is needed for investment in technical skills and to tackle historical levels of educational underperformance in the Black country and the wider west midlands. Skills gaps hold the Black country back as we seek to develop this global Britain.

The second challenge is transport and infrastructure, where historical under-investment is also holding the west midlands back. I welcome the announcement of £25 million to tackle congestion as part of the midlands engine, and we need a longer-term focus on the potential benefits of HS2, the development of Birmingham airport, and our rail and road network across the Black country and the west midlands.

The third big challenge addressed in the Budget, and one that we need to consider in the long term, is innovation rates. The Black country is becoming a world leader in, for example, the automotive, aerospace and advanced manufacturing sectors, with products such as Bugatti brakes and even the chairs used on “Match of the Day” being produced in the area, which is developing a worldwide reputation for design and product manufacturing.

The fourth challenge, which is a cumulative impact of the others, is relatively low productivity. It is a puzzle that we are yet to solve, and we need to tackle it by approaching it from all angles: improving skills, improving education at primary and secondary levels, and investing in transport infrastructure and the wider social realm.

The fifth challenge for the Black country is exporting, inward investment, and the potential opportunities of Brexit. With a 49% increase in exports since 2010, the west midlands’ export performance has been excellent in recent times and better than many other UK regions. We must be positive about the future and position the west midlands front and centre in our global trade plans to take advantage of the opportunities presented by Brexit. That is why I welcome, as part of the midlands engine strategy, the move towards the creation of a midlands trade and investment programme to develop markets to which the west midlands does not currently export. It has a good record in China and the United States, but we have the opportunity to open up and exploit new markets in many other countries.

Jeremy Lefroy (Stafford) (Con): Does my hon. Friend agree that foreign language skills are one of the most important things that we lack? That is intimately associated with our relatively poor export performance in the past, and we need better learning and teaching of foreign languages in order to penetrate those new markets.

James Morris: My hon. Friend is absolutely right. Foreign languages are one key component, but the challenge in areas such as the Black country is to raise
education performance levels more broadly. Standards need improving at primary and secondary levels, and we need to focus on technical education. The west midlands must face outwards and take advantage of the global opportunities that are currently presented.

Critically, the Black country and the west midlands are too often talked about as though they are a relic of Britain's industrial past, but that is wrong. The Black country is increasingly in the vanguard of our industrial future. It is a leading player in high-tech manufacturing and has an increasingly competitive, productive economy. We do not need to focus on managing decline. The Black country is not some kind of industrial museum to look back on with fondness as part of Britain's industrial greatness. The area is becoming a world leader in critical parts of our economic future.

As we take a forward view of global Britain, it is important not to focus just on London and the south-east; part of our long-term strategy should be the rebalancing of the economy. It is taking a long time, but we have made a lot of progress towards achieving that rebalancing. We must redouble that effort, invest in the appropriate skills and in the future of the businesses in the west midlands, and take away the barriers to growth, which include our transport infrastructure. It is simply too hard to get around the Black country and the wider west midlands, and the evidence is that transport bottlenecks make it increasingly difficult for the west midlands to realise its economic potential and achieve productive growth. As I said, we are not managing decline or nostalgically looking back to a mythical golden age; we seek to embrace the future of the Black country and of our young people in a global Britain.

7.58 pm

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to speak in this Budget debate. I had the same pleasure last year, and I appreciate the opportunity. I want to talk about quite a few things. The Foreign Secretary talked about global Britain, but we are in fact looking at a broken Brexit Britain. We are looking at a package of unfairness not only in the Budget, but in the austerity that the Government have followed for years.

Ordinary working people have not been supported by this Government or the previous Government. The UK Government have their head in the sand, and they have it there for two good reasons. First, they do not have the faintest idea of what Brexit will actually mean. What they do know about the outcome of Brexit is that it will be bad, so they do not want to tell us what they know. Secondly, the Government talk all the time about how things will affect the ordinary working person, but most Conservative Members—or at least too many of them—do not actually have a clue about what it is like to be an ordinary working person. They do not have a clue what it is like to push a trolley around the supermarket and feel inflation going up, as it has done over the past three months. Inflation has gone up to its highest level in ages during the past three months. People are seeing a 15% increase in the price of butter and a 6% increase in the price of tea. Those changes have a real impact on families' budgets, because they are everyday essentials which people regularly buy, so when they go up in price people are disproportionately affected.

In Scotland, 48.4% of adults have less than £100 in savings. Across the UK families owe, on average, £2,770—the debt that families have. This is a really tight situation for people. People are struggling; they are not able to save and they have levels of debt.

People who have had a mortgage in the past eight years have never seen interest rates above 0.5%. Therefore, if the Bank of England decides to raise interest rates because of the weakness of the pound, which is not inconceivable, these people will be hit by increased mortgage costs that they did not expect, because they had never seen such increases before and so have not planned for them. This Government are doing nothing to help the budgets of these people. I spoke to some of my friends about how they feel the economy hits them. Too many of them told me, “I lie awake at night worrying because I have no savings. What if my partner gets laid off? We have no money. We have no slack in our budgets.” With rising inflation, because of Brexit, and the fact that the UK Government are not willing to take action now to combat it, people’s budgets are going to be squeezed even more tightly.

We have also seen wage stagnation as part of this package of unfairness. In 2022, average earnings will be no higher than they were in 2007. The UK Government need to take action—they need to be spending—to counter that and to make sure that people’s everyday budgets and everyday family incomes balance.

Jeremy Quin (Horsham) (Con): Just to put this into perspective, the Office for Budget Responsibility’s forecasts are for inflation to be 2.6%, then 2.4% and then coming down to 2%. Although that is higher than we would like—it is above the target—it is not the kind of inflation we have seen in the past under other Governments. The hon. Lady is talking about a fiscal reflation—throwing more money into the economy—but that would increase inflation.

Kirsty Blackman: I am talking about putting more money into infrastructure, things that actually create jobs, and research and development. What we have seen in the UK is pitiful productivity. In Scotland, we are beginning to counter that, as our productivity has grown much faster than the level in the rest of the UK. That is partly because of the fiscal stimulus given by the infrastructure packages we have put in place, which has allowed us to make a difference to productivity. If the UK Government intend to take us out of the single market and to make it more difficult for us to have trading relationships and to export, they will need to make sure that they are increasing productivity to counter that, otherwise we will face a real issue on the lack of wage growth.

The Chancellor stood up and said, “It is fabulous what we are doing for the oil and gas industry. We are going to make it easier for oil and gas companies to transfer late-life assets.” This is really important, because the oil and gas industry will continue to take oil out of the ground for a very long time to come. Some fields are nearing maturity and may be operated by one of the big operators, and we need to make it easier for those assets to be transferred to some of the newer, smaller operators so that they can “sweat” them: get the maximum economic recovery out of those assets. My problem with what the UK Government announced is that they announced it...
last year and did not do it; they announced this exact thing on late-life assets last year and it has not been done, so I hope they will forgive me for not dancing around in excitement at the fact that there is now going to be a panel of experts to look at this thing that the Government announced last year—it would have been nice if they had actually done it back then.

I want to mention the £350 million of extra money that is going to Scotland. It was kind of the Chancellor to stand up and say, “We are giving £350 million of extra money to Scotland,” but this is rubbish—it is not what is happening at all. Because of how the Barnett formula works, if the Government spend more money in England and Wales, it just so happens that Scotland gets an extra slice as a result. The Chancellor cannot pretend that he is giving lots of money to Scotland while asking Departments to make 6% cuts and in the face of continuing austerity. He cannot stand up and say that the Government are giving Scotland all this money, given that we have had a £2.9 billion real-terms cut over the decade from 2010. It is ridiculous that we are in this situation.

I wish to touch on a couple of things that the Foreign Secretary said. In response to an intervention, he talked about falling back on WTO rules and how it would be “perfectly okay”. I am interested to see the analysis that he has done on that, because I do not think it would be perfectly okay. I think he is guessing, imagining, inventing—[Interruption.] He is hoping with his fingers crossed, as my hon. Friend the Member for Argyll and Bute (Brendan O’Hara) says. I say that because falling back on WTO rules and most favoured nation status is a harsh reality for our exporters, particularly for our small and medium-sized enterprises.

On SMEs, the Foreign Secretary said that people on my side of the House were mocking entrepreneurial spirit. He is from the party that has made changes to the national insurance contributions of the self-employed and he is accusing us of mocking entrepreneurial spirit! We are supporting entrepreneurs. We are supporting those people in small businesses, particularly the incredible numbers of women and people on lower incomes who have started businesses and taken on the mantle of self-employment. This is really important. These people have decided to become self-employed and now this Government are taxing that aspiration.

This Budget has dodged far too many of the important issues. It has not spoken about the real fallout from Brexit. The Government are unwilling to give the OBR any real information, and the improper forecasts that they have therefore been provided with have allowed them to dodge those issues. Despite all the comments in the run-up to it, this Budget has been shambolic. It has dodged the issues, taxed aspiration and done absolutely nothing for the oil and gas industry beyond what was promised last year. This is not a Budget that is promising for Scotland. It has increased the package of unfairness and consigned ordinary working people to a long-term lack of prosperity.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I just say that we will introduce a six-minute limit, so if Members could stay tight to that, we will be able to get everybody in?

Jeremy Quin (Horsham) (Con): It is a great pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman), although I did not agree with a great deal of what she said. None the less, Scots have played such a valuable role in shaping the foreign affairs of the United Kingdom over such a long, protracted period, and, through that, those of the fifth largest economy of the world and, through that, the affairs of the world. I trust and hope they will continue to do so for many, many years to come.

It will not come as a great surprise to you, Mr Deputy Speaker, to learn that I am not much of a mountainer, but I have been told by those who are that the most dangerous point in climbing any mountain is after one has made the stupendous effort and reached the summit, and one then begins the so-called “easy descent”. In fiscal terms, after nine long and difficult years, the House finds itself nearing the summit. The struggle to rein in public debt is an immense and ongoing undertaking, but, according to the OBR, public sector net debt as a percentage of GDP peaks in 2017-18—this coming year—and in every successive year thereafter it falls. Whatever the very real temptations, encouraged by some one-off factors this year, to slow further the pace of deficit reduction, we owe it to future generations to finish what we have begun.

We are now in our eighth year without a recession. Unlike others, Conservatives do not pretend that we can abolish the business cycle. It is critical to our domestic economy and to our standing in the world that we rebuild our financial firepower so that we can tackle anything that comes our way. The 2% of GDP on defence and 0.7% on overseas aid, to which my right hon. Friend the Foreign Secretary referred, give us great strength and, indeed, soft power, but our allies need to know that our commitments are real and sustainable.

It was frustrating to hear the passionate words of the right hon. Member for Islington South and Finsbury (Emily Thornberry). She bemoans efficiencies being made in the public sector, without recognising, in this Budget debate, how critical it is that we bring down the deficit and show our ability to act credibly abroad and to achieve long-term sustainable finances.

With our national debt topping out at some £1.8 trillion, our annual interest payments also represent the entire combined annual spend on defence and policing, as the Chancellor pointed out. That is why the proper, sensible husbandry of our resources is critical. Despite the huge increase in the national debt, we are currently spending the same increase as we were 15 years ago. With the base rate bound to rise—something on which I agree with the hon. Member for Aberdeen North—that is not sustainable in the long term. The risk is compounded by demographic shifts, notably the retirement of the baby-boomer generation. Demographic changes are projected to increase the cost of the state pension by 40% and to drive up health and social care spending.

I recognise the efforts being made to enhance our productivity with T-levels; the half billion of extra spending on technical education for 16 to 19-year-olds; and the £300 million commitment to support the brightest research talent, including 1,000 new PhD places in science, technology, engineering and maths. Combined with transport spending, that will help to narrow our relative productivity gap.
Education is the key. I have literally studied line by line the financial projections of some of the schools in my Horsham constituency, so I can assure the Chancellor that, after years of being relatively underfunded, they run an extremely efficient and tight ship, with staffing costs often accounting for 85% of total spend. Schools in historically well-funded areas have much to learn from schools such as those in West Sussex and could potentially do more than is currently being asked of them. I am grateful for the Secretary of State for Education’s commitment to look carefully, as part of the fair funding consultation, at the minimum funding required by schools to deliver the standards and curriculum that students, and we, have every right to expect.

National insurance contributions have been much discussed in the media. I welcome the Taylor review, and feel sure that later this year his report will outline many ways in which the Government can support the genuinely self-employed and clarify the position of the virtually employed. The self-employed population is higher than ever before and steadily growing. It is a simple matter of maths that such growth undermines the tax base on which future generations will rely.

The Government are introducing a package of measures: the changes to class 2 and class 4 NICs and the enhancement to pension provision for the self-employed are coming in over the next two years and cannot be viewed in isolation. Some 60% of those affected by the changes to NICs will gain. For those at the higher end of the earnings bracket, the impact is capped at around £600 a year, and the average annual additional contribution is £240 a year. Meanwhile, self-employed pension benefits will be enhanced by £1,800 a year—a benefit which, if purchased in the open market, would cost some £50,000.

Those measures will help to support the self-employed in retirement. They are progressive, while still ensuring that being self-employed has tax advantages. Of course we will support the entrepreneurs who will help to drive our country forward in the new post-Brexit environment, but by helping them to meet the costs of retirement while also narrowing the potential reduction in our tax base, these are proportionate, long-term steps in a Budget focused on the long-term financial health of the country, which I commend.

8.14 pm

Mr Ivan Lewis (Bury South) (Lab): The test of the Budget should be whether it tackles the big challenges facing our country now and in future. I shall focus on three of those challenges: the need for support for business to alleviate the inevitable uncertainty that will prevail throughout the Brexit negotiations; the need to tackle the inequality that is dividing our society more each and every day; and the need to provide sustainable funding to build a new integrated NHS and care system that can cope with ever-increasing demand. On all those counts, the Budget is a missed opportunity.

The increases to business rates and national insurance contributions for the self-employed have raised questions about the Government’s competence, integrity and business credentials. Even David Cameron has expressed concern that a clear Tory manifesto commitment has been broken. At a time when Brexit is causing so much uncertainty for business, it is unforgivable that the Government should make the situation worse, not better. Alongside that, the Budget failed to identify any measures to begin the process of mitigating the impact of the UK no longer being a member of the single market. As that is the Government’s stated objective, they have a duty to take it fully into account from now on when they introduce measures that will affect business.

Inequality is fuelled by many factors, but wage stagnation is one of the worst. The Government should commit to phasing in a proper living wage over this Parliament, not the bogus living wage they are currently implementing. I propose a register whereby every three years companies would be required to publish their profits and the pay increases they have awarded their staff, from the boardroom to the shop floor. If companies are struggling, or if they are start-ups, it is totally right that job protection, not wage rises, should be a priority. However, if significant profits are being made, it is immoral that workers are not seeing an increase in their pay.

Perhaps the most grotesque symbol of inequality in today’s society is the epidemic of rough sleeping we are seeing in many of our towns and cities. I welcome the Homelessness Reduction Bill and the work of the hon. Member for Harrow East (Bob Blackman) that made it possible, but it will not solve the problem alone. The Government should have used the Budget to make specific resources available to ensure that local authorities and third-sector organisations can come together to offer people who are sleeping on the streets emergency accommodation and a package of support to enable them to re-integrate into the community. In the longer term, the Chancellor must consider new ways to enable councils and housing associations to access finance so they can build a mix of social and affordable housing.

On the NHS and social care, I welcome the extra money for social care in the Budget, but the gerrymandering of public money to favour political friends brings the Government into disrepute. The extra money will not change the fact that in the vast majority of local authorities, the eligibility criteria that determine access to publicly funded social care mean that people have to deteriorate to a very poor state before they receive any help whatsoever. People whose financial means make them ineligible for funding are all too often not even offered advice and support to choose the right care and support for themselves and their families.

As a former social care Minister, I can testify that successive Governments have been reluctant to tackle the social care funding issue because there is no credible solution that will not require the public to pay more. Unlike the NHS, social care has always been means-tested. Higher taxes and/or national insurance, greater individual and family contributions, payments out of inherited estates, and an insurance-based system for social care are all difficult options. Any solution, therefore, must not be a political football, and any work must be done on an all-party basis.

I am sorry to say that the Budget commitment to yet another Green Paper on social care funding matches neither the scale nor the urgency of the challenge. I reject the view of those on the right who argue that the NHS as a system that pays at the point of use, funded by general taxation, cannot be sustained. It must be sustained as a non-negotiable and enduring statement of unique British values.
The Government rightly talk about the importance of shifting the focus of public services to prevention and early intervention, yet their slash-and-burn approach to public funding is having the opposite effect. My local authority, Bury, will be required to make cuts of approximately £30 million between 2017 and 2020, and the situation is made worse by an unfair local government funding formula. If Bury were funded at the English average, it would equate to an additional £9 million per year. The reality is that Bury and local authorities are having to shut preventive and early intervention services rather than invest in them.

The Budget exposes, once again, the illusion that the Government have been economically competent or successful. Not only have they failed using their own measures of success—deficit reduction and borrowing—but they have failed to address the underlying problem of young people, the impact of benefit sanctions, child poverty and cuts to grassroots and frontline public services, all of which are creating a deeply divided society—a division that both contributed to and was reflected in the Brexit vote.

The incompetence of this Budget has brought the Prime Minister’s honeymoon period to an end. She can talk as much as she likes about standing up for working people and those struggling to get on, but unless her Government change course, that will not happen, and furthermore her legacy will be a deeply divided country, and a party once again viewed by many as the nasty party. That would be both an irony and a tragedy for the first Tory politician with the courage to face up to the reality of her party’s reputation.

8.20 pm

Nigel Huddleston (Mid Worcestershire) (Con): It is an honour to follow the hon. Member for Bury South (Mr Lewis), though, in contrast to him, I believe that there is much to praise in this year’s Budget. I was particularly pleased to see the focus on investing in technical skills, school buildings, broadband infrastructure, transport and road infrastructure, and of course the increased funding for social care.

The Chancellor absolutely struck the right tone in outlining the overall state of the British economy. He highlighted the record employment numbers, increasing GDP and wages, and lower debt, while underlining that Government debt remains stubbornly high, at an astonishing £62,000 per household. That is one of the figures that really stood out for me in the Budget speech. Of course, another term for that level of debt is deferred taxation; it has to be paid off at some point, but we need to change the dynamics of the economy, reflect the fact that the economy has changed, and tax appropriately. I am looking forward to the debate that I am sure that we will have in the House looking at ways of raising business rates that are fairer to companies, including small businesses, that have a presence on the high street, as opposed to the likes of Amazon. I also ask the Chancellor and the Treasury team to look again—I am sure that they will—at cases such as individual cinemas, which seem to have been unfairly hit by the changes in business rates.

Finally on Britain’s place in the world, there was perhaps one missed opportunity in the Budget, which I am sure will be taken in the November Budget: air passenger duty. Perhaps as early as April next year, the Scottish Government are likely to reduce air passenger duty by 50%. That would immediately put English airports at an unfair disadvantage. Many of us have been discussing with the Treasury whether, or how, we should respond on air passenger duty. It is absolutely vital that we support our aviation industry; it is the third largest aviation industry in the world, and at this time of Brexit, there is great uncertainty about the future of the aviation industry; after all, there are no non-WTO alternatives, should we not reach a deal. The share price of easyJet has fallen by a third, and £2 billion has been wiped off its value since Brexit. I look forward to playing my part in further discussions about APD and how we can support the aviation industry, and I look forward to further statements on the subject in the November Budget.

8.24 pm

Mr Gavin Shuker (Luton South) (Lab/Co-op): May I begin by agreeing with the comments of the hon. Member for Mid Worcestershire (Nigel Huddleston) about air passenger duty and the effect of Brexit on UK aviation?

The former Chancellor, the right hon. Member for Tatton (Mr Osborne), did not have many great reforming achievements, but let me praise one: the emergence of the Office for Budget Responsibility, which is essentially the benchmarking organisation that lets the Government know what fiscal room they have to work in, and lets us all know where the bodies are. The OBR made a series of assumptions in its central forecast for the Budget. The first was that the UK would leave the EU in April 2019. The second was that the money that we
spend on the EU would come back and be spent broadly on the same things as before. The third was that we would need to make no exit payment, and the fourth was that no changes to taxes levied and payments made through the EU would be made over the period that the OBR looked at. It said:

“While the Government has now set out some of its objectives more formally, there is understandably little detail about how it intends to achieve them.”

Each of those assumptions is questionable at best; that is the fault not of the OBR, but of the Government. Each assumption will have a huge impact on the public finances. This was a Budget with a black hole at its very heart. Brexit is mentioned just once in the Red Book, yet we are entering the chilling reality of a hard Tory Brexit at a time when they have presided over seven years of economic failure and missed deficit reduction targets year after year. Short-term fixes have meant that the past decade’s most intractable economic problems have not been dealt with. Let us examine those assumptions.

The first assumption was that we would leave the EU in April 2019. I have no reason to question that after the Bill on article 50 passed through the Commons today, but we know that there could be a hard landing on to WTO terms, or a transitional deal. We could be doing this against the backdrop of one of our nation states leaving the other three.

The second assumption was that after Brexit, our money would return from the EU. The sum of £350 million a week was spoken about quite a lot during the referendum campaign. Where did that come from? It was an inflated figure; the actual cost to us is about £8 billion a year. Provided that we are able to do everything as efficiently as we do now—we pool the resources of 28 member states, but we will shift from sharing costs to them being borne by one state—and provided that we choose not to contribute any additional sums to our farmers, regional development, or university research, we will get back that £8 billion a year, but if the economy was just 1% bigger, borrowing could be some £14 billion lower each year. The Institute for Fiscal Studies says that if the UK were to reduce national income by just 0.6%, that would be enough to outweigh the positive effects on the national finances. Bear in mind that the effect is cumulative; 0.6% lower in one year means that the economy is 0.6% smaller in every year going forward. That is because of lower tax receipts, higher debt, a larger deficit, and less to spend on public services such as our schools or the NHS.

The third assumption was that no exit payment would be made. The figure being talked about in Brussels is in the range of £50 billion or £60 billion. We have built up liabilities, commitments, and pension funds, and without settling those, we will not get the kind of deal that we want with the rest of the European Union. We have bailed out the banks, but actually we have had significant amounts of that money back. This will be a one-off payment that we need to make, and it was not reflected in the Budget that we discussed this week.

The fourth assumption, which is no changes to taxes levied through the EU, rather begs the question: why are we doing this in the first place when we know that we are going to diverge over this period? What did we learn? We learned that economic growth is down, not up, from Brexit; that we will have lower tax revenues; that lower immigration will hurt us, not help us; and that a weaker pound will drive inflation, storing up the inflationary effects into 2017, 2018 and 2019. On trade and exports, UK trade will fall, slowing the pace of export growth for 10 years; business investment will be lower and will drop; and EU students and exports will drop off as well, taking money out of the real economy.

Last week, we learned that the Vauxhall van plant in Luton, where my dad and his dad before him worked, will be sold to a European firm. Despite the fact that that organisation is one of the most efficient and profitable parts of the business, the long-term future of that plant will be down to the kind of deal that we get on Brexit. Frankly, with an eight-year lead time on the van that we build there, I am perfectly content that the workers will see that through, and I thank PSA Group for its assurances. The reality is that when we look at Ellesmere Port, where a decision has to be made on a new vehicle coming in at the back end of 2018, it becomes abundantly clear why those of us on Labour’s Benches and some on the Government Benches say pushing for the hardest possible Brexit available is a bad choice; it comes at exactly the wrong moment for the kind of investment that we want. A hard Brexit is not some big bang, but the slow deflation of a balloon as the air comes out.

In conclusion, this Tory Budget amounts a massive hit to the public finances—around £100 billion. Targets have been abandoned, and there are no rules of the road. There is a lack of acceptance that the effects of this Budget will last for a long period of time. If we are going into a storm, the ship in in a poor state and the captain is driving us harder and harder into those choppy seas.

8.30 pm

Maggie Throup (Erewash) (Con): It is a pleasure to follow the hon. Member for Luton South (Mr Shuker). I have to say that although we do not always agree, he has put forward some good points.

It is well recognised that Britain is a world leader in science and technological research. As we saw earlier at a STEM event in Portcullis House, many advances, which begin as just glimmers of ideas, are developed by our amazing entrepreneurs and commercialised. Such entrepreneurs are vital in helping Britain to succeed in a global economy. However, that is not a reason to shy away from bringing parity into the tax system, between the employed and the self-employed. Before being elected to this place, I was self-employed for 19 years. When I first ventured down that path, I did not think, “I must become self-employed to pay less national insurance.” I went self-employed because I had a business idea and relished the challenge of making a success of it, and I wanted the freedom of being my own boss.

After my first year of trading, I was quite surprised to see just how little national insurance I was paying. Although I recognised that there were many benefits that I would not be able to access as a result of being self-employed, I felt that the advantages outweighed those disadvantages. I welcome the news that Matthew Taylor is looking at the differing employment practices that we now find across the industry. I also welcome the review, because this is the time not to tinker around the edges, but to make last but one reforms to the tax system that are fit for the changes that we are seeing in today’s employment environment in the gig economy and also to keep us at the forefront of the global market.
I also want to spend a little time in welcoming the additional funding for social care. As the Chancellor quite rightly said in his Budget statement, the social care system is under a great deal of pressure, which in turn puts pressure on our national health service. As someone who has family experience of great working practices, I can say that this is about not only money, but how we implement processes and spend the money.

I am a member of the Health Committee, which has taken evidence from people about great working practices. Although I welcome news of the extra £2 billion over the next three years, with £1 billion for the next financial year, we must ensure that that money comes with reform. What is wrong is when stakeholders, clinical commissioning groups, local authorities, health trusts, primary care trusts and third sector providers are not willing to come together to make the changes that are so necessary.

Sustainability and transformation plans are necessary. We cannot continue to do what we have always done and then expect to get different results. The future of the NHS and social care has got to be two-way: reform must come alongside additional funding. That is why I welcome the Chancellor’s announcement of a Green Paper on the future financing of social care later this year. As with the reforms to the tax system, these reforms cannot tinker at the edges and think that the job is done.

As a Midlands MP, it would be remiss of me not to mention the Midlands engine. As an east Midlands MP, it would also be remiss of me not to remind people that the Midlands engine covers both the west Midlands and the east Midlands. Sometimes that gets glossed over. I welcome the focus on skills and training, and the investment in transport infrastructure at pinch points. However, more needs to be done. I have called for an additional motorway junction between junctions 25 and 26 on the M1, which would really help to alleviate some of the congestion throughout my constituency. Alleviating congestion helps productivity.

It is important to remember that investment in skills, training and infrastructure across the whole of the Midlands, as part of the Midlands engine for growth, will really benefit small towns and large cities. My message to the Chancellor is that we need to continue that investment to ensure that we hold our place in the global economy and at a local level.

8.35 pm

Dame Rosie Winterton (Doncaster Central) (Lab): I listened carefully to the contribution from the hon. Member for Erewash (Maggie Throup), who brought her personal perspective and that of her constituency to the debate. But it is more than clear that the Chancellor must recognise, it is bad for the Treasury too, as it is punching a massive hole in the public finances. Zero-hours contracts cost the Treasury billions because they lead to a lower tax take and higher spending on in-work benefits. Zero-hours workers pay significantly less in income tax and national insurance contributions than people in more secure employment. A recent study by Landman Economics shows that this has created a £1.9 billion hole in the public finances. It says that the true costs are higher still, as those on zero-hours contracts are more likely to need to rely on in-work benefits such as tax credits and housing benefit.

Overall, the TUC has estimated that over the past decade there has been a net loss to the Treasury of £5.3 billion due to insecure working—equivalent to just over a third of the social care budget for England, as set out by my hon. Friend. People in insecure work tend to be paid lower wages. Some employers use zero-hours contracts or bogus self-employment to manage their financial risk and leave the public finances to pick up the bill. Inevitably, employers who prefer to keep employees on insecure contracts are the least likely to invest in proper skills and training, which is again bad for our overall economy and has a huge impact on productivity.

As well as the increased use of agency staff by employers, there has been a growth in employers encouraging workers to set up as a limited company. This bogus self-employment has a knock-on effect on other parts of the economy. Last week, one of my constituents told me of the experience of her and her partner when trying to get a mortgage. She said:

“My partner went from working as an agency worker to being a limited company: however he remained working for the same partner when trying to get a mortgage. She said:

“...”

Her father acted as guarantor, and that was the only way she could get a mortgage. Insecurity at work affects the whole of our country, and the Government should tackle its root causes. They should strengthen legal protections for workers on zero-hours and clamp down on bogus self-employment and agency employment.
This is not only a UK issue; it is affecting other EU countries, as well as EU migrants in this country, who are often kept in insecure, undercutting work. That is why having a proper review of this area, and linking it to how migration between the UK and the remaining EU countries post-Brexit will operate, is something the Government should get on with as a matter of urgency.

8.41 pm

Jeremy Lefroy (Stafford) (Con): It is a real honour to follow the right hon. Member for Doncaster Central (Dame Rosie Winterton), who made some extremely important points, particularly about those who are self-employed.

I believe the Budget was extremely balanced and very sensible, not trying to do too much, but trying to do the right things and, by and large, succeeding. The concentration on technical skills—the T-levels—on infrastructure and on living within our means was welcome. We saw money put into the right places, including business rate relief, addressing a problem for a number of companies in my constituency and, no doubt, in the constituencies of all right hon. and hon. Members.

There was also a substantial increase in the investment in social care. I believe this is just the start; we need to see a radical revamp of the financing of health and social care. In announcing a Green Paper on social care, the Chancellor took a first and firm step in that direction, and it needs to be followed by others, but I very much welcome the increased investment in social care.

Of course, there has been some discussion about the ways in which the additional revenue was found, but let us not forget that this was a balanced Budget: the Chancellor did not seek to increase borrowing—absolutely rightly—and nor did he seek to cut spending any further than was already planned in some Departments. He sought to raise the revenue to pay for the additional investment in social care. That is absolutely the right way to go about it, and I commend him and his team for that.

Raising the revenue through national insurance contributions was absolutely understandable given the constraints, but I welcome the fact that there will be a closer look at this whole area. As the right hon. Lady said, self-employment will be with us increasingly in the coming years, and more and more people are becoming self-employed. That is something to be welcomed, and I have been self-employed in the past. As my hon. Friend the Member for Erewash (Maggie Throup) said, it is something we should encourage, but, at the same time, we have to recognise the risks involved.

In future, as we look to raise additional revenue, we ought to look at some of the reliefs available to the higher paid, whether that is reliefs on national insurance and pensions, or reliefs available through schemes that have perhaps outlived their usefulness and that relate only to people at the higher end of the income scale.

That brings me to an important point. As a Parliament and a nation, we have to decide what level of income—what percentage of our GDP—we will raise in taxation and what percentage we will spend. We tend to raise approximately 37% of GDP in taxation, and that will continue through to 2020-21. We spent 40% in 2015-16, and that will go down to about 37% at the end of this Parliament. If we are to maintain the kind of commitments in all areas that we, and the Government, wish to, whether on defence, international development, looking after the elderly through social care, increasing investment in health or increased pension costs, we will find it very difficult to stick to a level of 37% of GDP in terms of both income and expenditure—it will be nearer 40%. That is still well below almost all our fellow European countries, certainly France and Germany. However, we have to take this seriously. It is not legitimate for us to stand here and advocate the kind of investment that, rightly, we want to see, while retaining our footprint as global Britain, and not be prepared to pay for it.

I serve on the International Development Committee, and a couple of weeks ago was privileged to see the work that DFID-supported organisations do in Tanzania with some of the poorest people on this planet in supporting them in their education. We have seen many other such schemes around the world. In Congo last year, we saw DFID working in a place where pretty much nobody else was working—apart from the Congolese people and Government themselves—to bring water schemes to people for the first time.

I was there with the hon. Member for Ealing, Southall (Mr Sharma). I think he will remember that visit, where we washed our hands together having drawn water from a pump that had just been put into a village—the first water that those people had not drawn directly from the river. This work supported by DFID is absolutely priceless. As the Foreign Secretary said, it gives Britain a global presence. However, the point made by another speaker about funding for the Foreign and Commonwealth Office is also valid. We have to remember that as we withdraw from the EU there are many Foreign Office missions around the world where we do not have a DFID presence and yet a lot of British development is going on through the European Union. That will now have to be picked up by the Foreign Office. We need to look very carefully at the funding for that.

I would like to say many other things, but time is limited. I make just one plea. The British Council does fine work, as we saw in Tanzania. It wants to teach people English and there is huge demand for that, so we need to give it the necessary resources.

8.47 pm

Mr Virendra Sharma (Ealing, Southall) (Lab): It is a pleasure to follow the hon. Member for Stafford (Jeremy Lefroy).

We have heard many Members speak of the positives and negatives of our imminent departure from the European Union. I voted both in my constituency and in this place to remain. However, I wish to draw our attention to matters a little further afield—first, to the USA. It does our place in the world no good to be seen as too keen an ally of the American President. As America loses influence, we will be dragged down, tarred by his racist policies. When the Prime Minister visited Washington, we saw that she and this Government do not intend to question his policies or to counsel a different course. His racist policies have already led to a climate of fear in which two Indian men were shot in Kansas, and one killed. It is being investigated as a hate crime. We must not allow the same climate of distrust and malice to grow in this country.
8.51 pm

Robert Courts (Con): The budget's measures include those that will be welcomed by constituents of mine who are concerned about business rates. Equally, the investment in social care will be of great relief to people who are worried about that. Likewise, schools have received welcome funding.

In the brief time available, I want to concentrate on skills. As we discuss Britain's place in the world and forge a new identity for ourselves as a global Britain outside the European Union, it is right that this budget puts in place the financial and fiscal measures that will enable us to make a success of Brexit. I believe that the budget does that, and I want to focus on the skills associated with it.

There are strong underlying factors in the economy. We are an outward-facing, open and globally trading nation. Our economy grew by 1.8% in 2016, second only to Germany of the advanced nations. The growth forecast for 2017 has increased from 1.4% to 2%, and the deficit has been reduced by two thirds since 2010. That is all a testament to the underlying strength of our economy.

My constituency has a number of high-level technical businesses that are very skilled and, in many ways, world beaters. These companies include Polar Tech and Siemens in Eynsham, STL Communications in Witney, and home-grown businesses such as Darke and Taylor in Hanborough. There are also businesses that have not been grown in West Oxfordshire but that have come to make their home and invest in my area, including Airbus, Boeing and Thales in Carterton.

For many years, however, we have not been training the young people that those companies need, so home-grown workers do not have the skills required to work in my area. The CBI estimates that 75% of companies will need higher-skilled workers and that 40% will require intermediate-skilled workers. We are 16th in the OECD rankings, so I welcome the measures in the budget that promote training people to make a success of our economy, both locally in West Oxfordshire and as we look to become a global nation.

Measures being brought in by the Budget include T-levels, with a fund of £300 million in this Parliament. This is the greatest reform of 16-plus education since the introduction of A-levels. It has long been time this that country had parity between academic education and technical education. That has never been more true than in my constituency, where we have so many excellent, world-beating companies that need highly skilled technical workers. These people, who make things and have ideas, drive our country and its economy forward. I wish to support them, and I am glad that the budget does so as well.

I therefore applaud measures introduced in the Budget, such as the 15 specific routes to employment, the high-quality work placements and the maintenance loans for higher education students, meaning that such forms of education are seen in the same way as the academic sector. There is a £90 million fund to provide 1,000 PhD places beneath the underlying umbrella of the industrial strategy, of which 85% are in STEM disciplines and 40% are collaborations between business and academies, again under industrial partnerships. That is critical for companies like Abbott Diabetes Care in my constituency which need such a system of STEM education so that their workers have the level of education they require.

Lastly, I will touch very briefly on research and development, about which I am equally pleased. I welcome the £23 billion national productivity investment fund. It will focus on an area of enormous significance to my constituency, and it will improve the productivity of the country and its economy as a whole. I will quickly mention full-fibre broadband, which is of massive importance. My constituency is full of innovative, intelligent, creative businesses that need such a system of STEM education so that those companies have the level of education they require.
Kate Green (Stretford and Urmston) (Lab): It is a great pleasure to follow the hon. Member for Witney (Robert Courts). I warmly endorse much of what he said about investment in technical skills and in our industries.

Today, we are debating the elements of the Budget that relate to Britain’s place in the world. I want to start by saying that I found it absolutely extraordinary that, apart from a passing preliminary reference, the Chancellor had absolutely nothing to say in his Budget speech about the most significant event affecting our position in the world, which is of course Brexit. We know that Brexit is bound to bring economic shocks and economic instability and that it will create economic uncertainty, including in relation to the divorce settlement itself. The European Parliament has been very clear that that settlement has to include our meeting our financial obligations, whatever the Foreign Secretary and the Government may believe.

In my constituency, people are already feeling the effect of rising prices as a result of the devalued pound. More importantly for a manufacturing and exporting constituency such as mine, local businesses have highlighted to me the impact on them of the rising cost of imports. In that context, it is deeply worrying that the Government seem so determined to pull us out of the single market at all costs, while leaving their intentions about our engagement in a customs union quite murky. Failing to protect our maximum access to the single market will be deeply damaging for the many businesses in my constituency that have a long and deep trading relationship with the European Union.

I of course support measures to tackle exploitation in the labour market, which can be exacerbated by the free movement of workers, but as my right hon. Friend the Member for Doncaster Central (Dame Rosie Winterton) said, the insecure position of those in low-paid, unstable employment is not addressed at all in this Budget. As many hon. Members have said, for the self-employed, the position is particularly troubling. I agree that there should be consistency in treatment both of contributions and benefits between the self-employed and those in employment, and that we should crack down on the bogus self-employment that is really employment in disguise, but it is not right for the Government to put the cart before the horse in a way that will be unfair to many self-employed people by increasing their contributions without fully aligning their benefits with those in paid work.

I am particularly troubled by those self-employed people in low-paid self-employment, the group the OBR identifies as rising fastest. Some of those will be the newly self-employed, who in practice are in low-paid self-employment because they cannot find the permanent employment that many would prefer. I hope that in developing this measure—I understand that the Government will now take a little time to think more carefully about it—Ministers will publish a detailed impact assessment of who will be affected, in which industrial sectors and how the effect will vary across regions, age groups, and how long people have spent in self-employment.

In the context of this debate’s theme of Britain in the world, I also express my concern at the Budget’s failure to address our environmental obligations. Last week, the Chancellor missed the opportunity to announce measures that would have reduced the number of diesel vehicles on our roads, but it has been estimated that nearly 40,000 early deaths a year can be linked to air pollution in the UK, and the cost to the Treasury is more than £27 billion. It is therefore disappointing that the Chancellor did not announce an increase in vehicle excise duty for new diesel vehicles, or have anything to say about a scrappage scheme.

On our ability to compete in the world, I want to say something about the education and skills announcements in the Budget. I agree with the Chancellor about their importance to improving our productivity, but the proposed back to work support of £5 million is frankly derisory. I am dismayed by the announcements on schools—£320 million on new free and selective schools, increasing to £655 million in 2021-22, but only £216 million for all other schools combined. That funding is only for the next three years with no additional funding in the long term. Trafford schools already face losing £443 per pupil according to teaching and support unions, but the Government are to pour more money into new free schools that will educate only a minority of our children, with no evidence that they will raise standards or the attainment of our most disadvantaged kids.

To add insult to injury, there will be money for children on free school meals to travel to selective schools—that amounts to fewer than 3% of children. In Trafford, parents of children with special educational needs have to pay for home to school transport. Last week, a primary school serving a disadvantaged intake in my constituency was unable to take up the offer of a free health and wellbeing session at Lancashire cricket club because it could not afford the bus fare to get there. It is iniquitous that transport to school should be prioritised only for those going to selective schools.

I do not see this Budget as one that works for everyone. It is a Budget that will leave us poorer, more isolated, and more divided, especially for those of my constituents in low-paid work, who are just about managing, if they are lucky, but more likely struggling to get by. In betraying the next generation, it will do nothing to enhance Britain’s status in the world.

Neil Parish (Tiverton and Honiton) (Con): It is a great pleasure to speak in this debate. It is interesting that the Opposition keep telling us that we must spend more, when of course we inherited a deficit of £150 billion from them, so every year we were borrowing £150 billion more than we were earning. Now we are finally getting that down to £50 billion, but we still have a £50 billion deficit. It is right that the Chancellor takes strong action to get down our deficit. Until we remove our deficit, we will not get debt down—debt will rise. The Opposition will then start saying, “Debt’s going up.” Of course it is—because we inherited such as basket case of an economy from them.

I very much welcome taking many of the lower paid out of tax altogether, and I welcome the fact that work actually pays. I have some concern, however, when we look at the self-employed. This Government have rightly reduced corporation tax so that large businesses can come to this country and existing businesses can do well from lower corporation tax. Many small businesses and
companies in my constituency and across the country are not, however, incorporated, so trying to tax the self-employed more is not the right way forward.

I look forward to the Taylor report. There may be some abuses where people set up bogus businesses and act as self-employed, but the genuinely self-employed who have set up their businesses and struggled to start them without earning much money do not get all the benefits of the employed, so they need to be helped through that situation.

As we move into Brexit and away from the European Union—whether or not we are in the single market—the one thing this country will need is a lot of good businesses, and we have got them. We have seen a reduction in the value of the pound. We might not necessarily have engineered that as a Government, but after the Brexit vote the pound dropped by about 18%, which has created a huge stimulus to the economy. We must make sure that we benefit from it by allowing these businesses to develop. As these self-employed businesses develop, they will create employment, which is what we need. It is another great success of this Government. Millions of jobs, we were told, were going to be lost when the coalition Government came into power in 2010. Instead of that, we have created millions of jobs—something that seems to be lost in the forecast of Opposition Members.

Let me deal in my remaining three minutes with the situation in my constituency. It is great to see that, on the basis of previous Budgets and this one, we are still very much looking at infrastructure. What has happened on the A303 and the A30 is a great innovation, but we must make sure that we do not stop at Imminster, but get through to Honiton, because there is a bit of a gap at the moment. I have been talking about this matter for some time.

When it comes to social care and our hospitals, I very much welcome the little bit of extra money in the Budget, but many Members always have little local difficulties, which is the case for me, too. At the moment, we have hospital beds both in Honiton and in Seaton, but there is a proposal to remove those hospital beds from both of those places. That will create an area of approximately 100 square miles without any hospital beds. The administrations of the health service need to realise the size of Devon and the distance people have to travel in order to get to hospital, including those who want to visit their loved ones. The cottage hospitals have a great advantage in reducing some of the pressures on the acute hospitals, so we need to ensure that we find some funding for them. We need to care for people more in their homes, but we also need to care for people in hospital.

There was a little mention of more funding for schools and education. Devon has been able to educate its children across the county with a very low budget. Over the years, we have had a poor share of the overall budget. Now we have seen an increase in that share, which is welcome but as always we need some more cash. Although this is not down to the Chancellor, we also need a little more flexibility when it comes to how Devon spends its cash. If we had that flexibility, we could make the money go further.

Great education for our children is what we will need when we move into this brave new world. I voted to remain, but I am now very much committed to the fact that our economy is strong and that this country will be great—in or out of the European Union, and in or out of the single market. We must make sure that we get our trade deals, look after our farmers and have great food, as we do these Brexit deals. The one thing we must do is always talk up this country—never down.

Mr Deputy Speaker (Mr Lindsay Hoyle): George Howarth: follow that.

9.9 pm

Mr George Howarth (Knowsley) (Lab): It is a pleasure to follow the hon. Member for Tiverton and Honiton (Neil Parish). He described the health and social care crisis in his constituency as “a little local difficulty”. It is a funny that “a little local difficulty” seems to affect every constituency in the country.

I want to deal with three Budget issues as they affect my constituency. The first is school funding. Teachers’ unions contacted me recently to express—rightly—concerns about funding cuts. Over the next few years, such cuts will have a considerable impact on schools in Knowsley, and the council predicts, as a result, a significant rise in the number of schools that will go into deficit or, in some cases, be forced either to merge or to close.

The Government’s decision to cut school funding while preparing to spend money on creating additional places in grammar schools and offering schools incentives to become academies is counterproductive, certainly in Knowsley. The Government’s policy will do nothing to deal with deprivation in Knowsley, or with the challenges posed by its above-average number of pupils on free school meals and high levels of absenteeism: that simply is not going to happen. The Department for Education has confirmed that there will be no inflationary increase in Knowsley’s dedicated schools grant for 2017-18. This will be the seventh consecutive year with no inflationary increase. If the grant had been increased by the average rate of inflation over that period, it would have grown by about 20%, so there has been a significant real-terms cut in school funding.

Training is one of the key drivers for long-term increased economic growth. It is also critical to ensuring that young entrants to the labour market are properly prepared for the opportunities for skilled people that a modern economy can offer. In some cases, however, skill training alone is not an option. Employers whom I speak to in Knowsley often cite another problem: young people who are ill prepared for any form of employment. The reasons for that vary from case to case. In some cases it results from challenging family circumstances, in others from poor attendance, or non-attendance, at school. There are projects—such as Knowsley Skills Academy, a charity that I chair—which can help by providing a structured framework that helps to address those problems, but it is increasingly difficult to fund such approaches, although they are overwhelmingly successful in putting young people back on track.

Having been an engineering apprentice originally, and having taught in further education, I know that skill training should be straightforward. Under successive Governments, however, we have succeeded in over-complicating the process, at best focusing on the names of technical qualifications, and at worst passing off tick-box training as a substitute for the classroom and the workplace. Calling something an apprenticeship is...
entirely different from actually providing apprenticeship training worthy of the name. The key, which will benefit our economy, is providing skills that are transferable, and not just relevant to a single workplace. That can be achieved only by day release to colleges that can provide transferable skills that are both valued and recognised. If the Government are serious about meeting the economic challenges of the future through training programmes, they need to engage in a radical rethink about skill training.

The second issue is health and social care. Chronic underfunding and increased cuts in local government budgets have created a health and social care crisis. The supplementary funding through the improved better care fund—in Knowsley’s case, it amounts to just under £9 million over three years—is completely inadequate to cover the needs of local residents appropriately. A large proportion of that extra money will be taken up solely by the cost of implementing the national living wage. Lack of resources threatens the financial stability of care homes at a time when they are badly needed.

Finally, Government cuts in local government grant funding have meant that Knowsley has had to save £86 million since 2010, with another £14 million needed over the next three years. Knowsley will have reduced its spending on key local services by £100 million between 2010 and 2020. The funding provided by central Government will have been cut by 50% by 2020. In Knowsley, it is simply not possible to generate enough funds to cover that, so this is a Budget that is unfair to schools, those who need social care, local authorities and those who depend on their services.

9.15 pm

Jack Dromey (Birmingham, Erdington) (Lab): In his contribution, the Foreign Secretary undertook a global perambulation, bumbling for Britain. May I bring the debate back to Birmingham, a city of 1.5 million people—I am proud to represent Erdington—the city of Chamberlain, and an ambitious, growing, young city that is determined to build on its strengths?

There are some welcome steps in the Budget. We have worked cross-party to secure the midlands engine initiative to build on its strengths?

...
meeting I held with the Minister for School Standards and representatives from both a selective and a comprehensive school, both of whom felt that they were going to be under very severe financial pressure as a result of Government funding for schools. Also, on what the Government have offered in terms of health and social care, while the £2 billion over three years is welcome, it clearly will not suffice. As a number of Members have said during the course of various debates, I am sure that in just a year’s time we will have to return to that.

The Budget would have been an opportunity for the Government to roll back their proposed changes to personal independence payments. They claim the withdrawal of mobility funding from people with mental health problems was what was intended in 2012. I urge Ministers to go back and look at the Government response to the consultation in 2012, because that clearly indicated that they did not intend to withdraw those benefits from people with mental health problems.

However, I want to focus most of what I say today on the Foreign and Commonwealth Office, as it was the Foreign Secretary who opened the debate. Perhaps I have misunderstood the departmental resource budgets, but they seem to show very clearly that the FCO is going to suffer very severe budget cuts, going from £2 billion to £1.2 billion in 2017-18; to £1.2 billion in 2018-19; and to £1.3 billion—going up slightly—in 2019-20. If I have misunderstood those figures, I hope someone will explain them to me, but the Foreign Secretary seems not to be aware of what is happening to the funding for his Department. Perhaps he is thinking that if we add up the budgets of the other Departments that have been created—those for Exiting the European Union and for International Trade—we miraculously we get to roughly the same figure. Well, we do not; we get to less than the £2 billion allocated to the FCO for this year. I hope we will get some clarity on that when the Minister responds, because it is difficult to see how the Foreign Secretary’s claim that this will be a Budget for a global, outward-looking nation will be achieved at a time when the FCO’s budget is plunging.

Other Members have referred to the issue of staff with language skills. We know from a freedom of information request that in June last year fewer than 500 staff in the FCO spoke Russian, Mandarin or Arabic. I wonder what progress has been made on that, given the necessity to strengthen staff numbers in all those areas. The Foreign Secretary was rather dismissive of the concerns being expressed about human rights issues, but I say to him and to the Economic Secretary to the Treasury, who will respond to the debate, that the Government’s position on Bahrain, Burma, Turkey, Saudi Arabia and Yemen makes it clear that human rights are not a priority for them, although trade and arms sales are. This is something that the Government need to take seriously.

There is an area of funding on which I can support the Government, and it relates to the Department for International Development. However, I am worried that the Government are losing their focus on eradicating poverty. There has already been controversy over the envelope for the CDC. I think it was the spokesperson for the official Opposition who raised the issue of the prosperity fund and the conflict, stability and security fund. Organisations might be doing valuable work, but it is not entirely clear what they are doing or where their funding is coming from. I am waiting for a response to a parliamentary question asking when these funds and activities are going to start appearing on the development tracker, so that we can see what is being spent and, I hope, confirm that it is being spent sensibly on DFID’s priority of eradicating poverty, rather than on slightly less deserving priorities. I hope that the Government will mount a vocal defence of the work that DFID does. I am pleased that the Foreign Secretary did so earlier, because it is clear that the Department and its budget are under a huge amount of scrutiny, if not assault, from certain parts of the press who would be quite happy to see its budget slashed. That is something that the Government must defend against.

I should like to finish on a specific issue. I rarely praise the Foreign Secretary, partly because I hold him personally responsible for the decision on Brexit, which I believe is going to do permanent damage to the UK’s economy and to our global influence. He has been outspoken on the issue of Israel and Palestine, however, and I hope that in this anniversary year of the Balfour declaration, he will ensure that the Government recognise Palestine. That would be something of which he could be proud. It would leave a legacy that would be widely recognised internationally, and it would benefit the Palestinians and, in the long term, the Israelis.

9.27 pm

Mike Gapes (Ilford South) (Lab/Co-op): In the Foreign Secretary’s introduction to the debate today, we heard his typical bluster, lack of detail and “winging it” approach, which augurs very well for his forthcoming visit to Russia. His speech gave a complete fantasy view of what is likely to happen to our international trade. We were told that we were going to get a trade deal with the United States, yet the Trump Administration have already torn up the Trans-Pacific Partnership. In any trade negotiations with the UK—with our 63 million population, compared with the EU’s 550 million—the US Administration’s desire to put America first and make America great again will mean that they insist on getting more than they give. Are this Government prepared to accept food from the United States that is pumped full of steroids? Are they prepared to lower our health and safety standards? That is what will happen if we no longer have EU regulations and we accept the American model of trade.

Fortunately, we have the possibility of an agreement with Canada based on the EU-Canada agreement that was negotiated over seven years. Similarly, the EU-South Korea agreement could provide a model for something that would be beneficial to us. However, as my hon. Friend the Member for Ealing, Southall (Mr Sharma) pointed out, as for the idea that we can just export thousands of crates of whisky to India, as implied by the Foreign Secretary, in some kind of great trade agreement, India generally does not want to consume vast amounts of whisky—certainly not Prime Minister Modi, who I understand is a teetotaller. The reality is that India will desire access for its young people to study in this country and a loosening of the visa regime. So much for this Government’s 100,000 yearly immigration target. The forecasts on which the OBR’s economic growth assessments are based assume 185,000 people coming to this country. How can that be reconciled?
This is a Government of smoke and mirrors, and the Foreign Secretary’s pathetic performance today is a great example of that.

Similarly, the Budget states that the Government are going to put £325 million over three years into financially challenged sustainability and transformation plans in the NHS. The STP in my area of north-east London has a predicted deficit of £575 million, which must be eliminated within three years. That is just one STP. The Government say that they are providing £100 million for capital spend on new A&E departments. If the plan to close the A&E at King George hospital in my constituency goes ahead, they will need almost that amount just to replace the beds and wards on the site of the Queen’s hospital in Romford, which is part of the STP. This is Mickey Mouse economics, and it does not make sense.

I do not have time to comment on the underfunding of our schools, the wasting of money on free schools, or the damaging consequences for local government of the continuing cuts. There is a sticking-plaster solution to assist for two years with the social care crisis, but there is no long-term plan. We need a more serious Government who consider such issues.

Then, of course, there is the NICs crisis. As The Daily Telegraph headline said, the Tories are no longer the low-tax party. That is the perception of millions of people in this country. If we had a credible Opposition, we would be able to challenge on that issue effectively and avoid diversions into other matters. Twenty years ago, Labour was 20 points ahead in the opinion polls and on course for a landslide victory, and I say to all Labour supporters, “Things can only get better.”

9.33 pm

Alex Cunningham (Stockton North) (Lab): I do not want to accuse the Chancellor of any dodgy activity, but I would love to know where he has hidden his stash—his cash stash to help us make our way in the world as we ride out the storm of a low pound, rising prices, and uncertainty as we leave the EU. Everywhere we look, we see our companies working harder than ever to sustain their business and to persuade their often overseas-based bosses to invest in the UK rather than somewhere else. I am particularly worried about the future of our energy-intensive industries, such as steel, chemicals, and ceramics. Nothing that I have seen from the Chancellor does anything for any of them.

The North East England chamber of commerce was disappointed last week and said: “What we needed to hear were optimistic and supportive policies which would help existing and potential exporters access new markets.” It said that small and medium-sized businesses will be particularly affected by the fluctuation of the pound and will be hit the hardest by increased import costs.

The Chancellor also announced £90 million of roads cash for “the north” but what did the area covered by the new Tees valley mayor get? It looks like it will be a set of traffic lights and some minor improvements to a junction on the A19—this is worth less than a million pounds. That is not a serious commitment to infrastructure in the north-east of England. What a great day it would be if we could just have 1% of all the money invested in London and the south-east, and HS2.

Other areas in which we could establish a place in the world and lead are in carbon capture and storage, and the decommissioning of North sea oil and gas infrastructure. The Chancellor did refer to a discussion document about maximising the extraction of oil and gas from wells that are nearly depleted. That is welcome, but he missed a trick by not extending that to plans to create thousands of jobs in areas such as Teesside from the decommissioning of oil and gas rigs. The Government have invested money in Decom North Sea, but no work and no jobs appear to have followed other than in the organisation itself. Teesside is ideally placed for this, with the right riverside facilities, furnaces to receive the metal and many people who are qualified for the jobs that would result from this decommissioning.

I am sure Ministers will be aware of the Teesside Collective, a cluster of leading industries with a shared vision to establish Teesside as the go-to location for future clean industrial development by creating the UK’s first carbon capture and storage-equipped industrial zone. Labour’s mayoral candidate for the Tees valley, Sue Jeffrey, joined me in a direct plea to the Minister to back the Teesside Collective, and although we received kind, warm words, they were simply that: just kind, warm words. I think we can expect a strategy some day from the Government, but I just wonder when that will be and whether it will be backed by funding in the autumn Budget.

Seven years ago, the Tory-Lib Dem coalition axed the new hospital in my area, and the North Tees and Hartlepool Hospitals NHS Foundation Trust has been forced to make do in an area where health inequalities are a major issue. Don’t get me wrong, the trust does a good job but in very difficult circumstances. The capital spending cuts across the Parliament and the £5 billion shortfall in NHS maintenance means there is no hope of our Teesside people being provided with the same facilities enjoyed elsewhere. Our people need to be healthy if we are to make our way confidently in the world, and that includes being mentally healthy. But we know people are not getting the support they need, and I illustrated that when I raised a constituent’s case at Prime Minister’s questions. The Prime Minister said she would “take up” the case, but she passed the buck to the Health Secretary and I am still waiting for a reply.

The Chancellor did mention social care, and I remember the Tory cheers when he announced £2 billion extra—and then the rather pale faces opposite when they realised they had been had and it was not per year, but spread over several years. They have also been had on the whopping great tax increases on self-employed people, 2,600 of whom live in my constituency. I wonder how many more will put up with this manifesto betrayal. Another tax is to be increased, with probate fees set to rise from a flat rate charge of as little as £155 to a minimum of £300 and as much as £20,000—that is a nice little earner from the Tories’ very own and very real death tax.

There was some good news with the announcement of £500 million for further education, but we should not forget that it replaces less than a third of the money taken away since 2010. The scheme to merge colleges across the country is in tatters and, after a year of talks,
in the Tees area the proposals are falling apart and one of the colleges in Redcar is going bust. Now that mergers are collapsing, not just in the north-east, but across the country, what will happen to that cash? Will it be invested in our young people or will it just be swallowed up by the Treasury?

Finally, the Chancellor gave us half a smile when he talked about wage growth, but he chose to ignore the public sector workers who have actually faced a real-terms loss of about 10% in wages since 2010. I am talking about the public sector workers who have faced the reality of not getting what they need; the public sector workers who have had to face up to the reality of not being able to live on what they are being paid.

If Britain is to maintain its place in the world, rather than end up as some kind of low-wage, backwater economy, we need to invest in our people, our industries and our public services, and keep our people happy and healthy.

Several hon. Members rose—

Mr Speaker: Order. I am sorry, colleagues, but at least 15 hon. Members are seeking to contribute, and if I am to accommodate each, I am afraid that a limit of four minutes on Back-Bench speeches is now required. I am sorry, but it means that people get in, rather than not, as was commonly the case in the past.

9.40 pm

Clive Lewis (Norwich South) (Lab): It is always a pleasure to follow my hon. Friend the Member for Stockton North (Alex Cunningham), as well as, of course, the Toblerone tour de force that came from the Foreign Secretary earlier.

It is strange to be debating Britain’s place in the world in the context of a Budget statement that refused to address the single issue that will completely dominate our place in the world for an entire generation: Brexit—a word the Chancellor managed to avoid using even once in his speech. His announcement that he will spend £500 million of new money on technology such as artificial intelligence sounds wonderful, but when we look at what is happening in the real economy, we see that our high-tech businesses are actively considering whether they can afford to remain in the UK at all if we leave the single market.

Only last week, UKIE—the Association for United Kingdom Interactive Entertainment—which represents the UK’s dramatically successful gaming industry and has several members in my constituency, reported that 40% of its members are considering relocating all or part of their businesses abroad because of Brexit. Of course, the same figure, or higher, will be found in many other parts of the UK economy. The Chancellor knows that, and that it was always likely to be the case, which is why he—along with the Prime Minister, of course—opposed Brexit in the referendum.

Has the Chancellor, then, made any allowance in his forecasts for future losses in tax revenue yielded by the departure of EU citizens working in the UK, who may be given no choice but to leave rather than be forced through the humiliation of expulsion? Some 7% of the UK workforce are EU citizens, and the Office for National Statistics estimates that they have been net contributors of more than £20 billion in the past decade. Why did he make no mention of the tens of billions of pounds the UK will be asked to pay in exit-related costs? The OBR is clear that he has made no contingency for this huge cost, which may be more than £50 billion—why?

As time passes it becomes clearer that the Government have been hijacked by a small gang of ideological fanatics who want the hardest of hard Brexits, and against whom the Prime Minister and her Chancellor appear powerless. This hard Tory Brexit rests on nothing more than wishful thinking—on the fantasy that the UK will be able simply to stroll up to negotiating tables around the world and come away with deals that favour us and our industries, as if the likes of China, India and a Trump-led USA are unaware of how isolated and desperate our position will be.

Last June, the British people did not vote to apparently reclaim their sovereignty, laws and rights from Brussels only to see the Government auction them off to the highest bidder, behind closed doors. We are talking about our NHS, our Climate Change Act, and our employee rights. Nor did the British people vote to divide the Union, yet the Government’s hard Brexit is the key reason Nicola Sturgeon has given for requesting a second referendum. The First Minister wants the people of Scotland to have a choice, just as the Government now have a choice: do they want hard Brexit or do they want to retain the Union?

We must be on our guard. We stand to lose much more than the economy and the Union if we continue down this path. The world that the Donald Trumps, Geert Wilders and Marine Le Pens want to build is a genuinely dangerous one. It is a world of protectionism, bragging nationalism and domestic politics dominated by the empty, angry rhetoric of scapegoating. As any student of 20th-century history will tell us, these are ominous tidings indeed. The world around us is rapidly changing, and not always for the better. Out there, there is a sense that things are out of control. The term “going to hell in a handcart” is one we hear frequently. In this climate of uncertainty and instability—

Mr Speaker: Order.

Clive Lewis: I shall finish there.

9.44 pm

Geraint Davies (Swansea West) (Lab/Co-op): That excellent speech by my hon. Friend the Member for Norwich South (Clive Lewis) was certainly much more entertaining than the after-Budget speech we heard from the blond Bullingdon bombshell, who told of his experience selling Toblerone, whisky and boomerangs, after an apprenticeship in selling pork pies to the British public over Brexit. Hon. Members will remember that he promised us £350 million a week for the NHS, though it has not materialised in the Chancellor’s Budget—or, should I say, fudge-it?

Since 23 June, there has of course been a 15% reduction in our size of the economy due to the devaluation of the pound, which is reflected in asset values and people’s wages. Our economy has shifted from the fifth to the sixth largest. We are about to hurtle forward with triggering article 50, giving all the power to determine
The Chancellor’s decision was particularly galling given that on 3 March, the Prime Minister praised the industry, describing it as “a truly great Scottish and British industry”, only for her Chancellor to undermine that same industry with a huge tax grab just five days later. The Chancellor’s decision to raise duty is a major blow to an industry on which so many in my Argyll and Bute constituency depend. He has undone, in one fell swoop, all the good done in the last couple of years, in which the previous Chancellor, the right hon. Member for Tatton (Mr Osborne), cancelled the duty escalator, cutting duty by 2% in 2015, and freezing it the following year. When he cut duty by 2%, it was estimated in the Treasury’s own Red Book that it would create a revenue shortfall of £185 million. However, the reality was very different, because that 2% cut in 2015 actually increased the tax take to the Treasury by more than £100 million, with a further 4.2% rise in revenue from spirit duty in 2016. In cutting duty, the Chancellor sent out a message to potential investors that confidence in the industry was high.

The initial duty freeze followed by the cut gave confidence to investors who, for the first time in decades, believed that the Government no longer saw the whisky industry as a cash cow. Their investment saw more than a dozen new distilleries opening in the past two years, with no fewer than 40 in various stages of planning, hoping to come on stream over the next two decades. It allowed existing production sites to grow and it helped distilleries to expand the very lucrative tourist/visitor side of their business. I fear that the signals sent out by this excise duty increase threaten to stall that investment and damage industry confidence.

In this Budget, 36p was put on a bottle of Scotch whisky, which means that the excise duty paid on 70 cl bottle of scotch is a whopping £8.05, taking the total tax take on a bottle to £10.20. That means that the tax on an average priced bottle of Scotch whisky now sits at an eye-watering 79%. A total of £4 in every £5 spent domestically on Scotch whisky now goes to the Exchequer. As I have said, it goes against the evidence of the past couple of years when duty was cut and then frozen. I fear that the days of the Chancellor using Scotch whisky as a cash cow have returned with a vengeance.

9.51 pm

**Thangam Debbonaire** (Bristol West) (Lab): On Wednesday, I listened to the Chancellor’s statement and waited for the elephants in the room to be addressed: Brexit, the housing crisis, and infrastructure in the west of England—but I waited in vain. This Budget could have set out a great future for our country, but it did not. Businesses of all sizes in Bristol have told me that, to continue to secure jobs and growth for the region, they need the benefits that we currently get from full membership of the single European market. From the aerospace industry to the financial services sector to traders on the Gloucester Road, Bristol businesses say to me that they face huge uncertainties as our future relationship with the EU is negotiated, and yet the Chancellor said virtually nothing about Brexit in the Budget.

On housing, Bristol’s fantastic Labour mayor, Marvin Rees, and his team are working hard to tackle our city’s homelessness crisis and to get more homes built.
Bristol West is in the midst of a housing crisis, which particularly affects young people, with soaring house prices and rents, and yet the Chancellor said nothing about housing.

In her speech last week, my hon. Friend the Member for Bristol East (Kerry McCarthy) described how this Budget fell short on infrastructure in the west country. Bristolians have put up with the inconvenience and cost of railway electrification work, followed by its postponement. We have had all the bother with none of the benefits. Time and again, I have impressed on the Government that we need action, not least to eliminate the dangerous air pollution in our city, and yet the Chancellor said nothing about infrastructure in the west. However, what the Chancellor did say gave me cause for concern, particularly the proposed rise in national insurance contributions for the self-employed. The Office for National Statistics estimates that there are 12,800 self-employed people in my constituency, which is well above the national and regional averages. That includes freelancers in the technology and creative sectors, taxi drivers and car mechanics, decorators and plumbers, hairdressers and musicians. All earn, on average, 40% less than employees, but now face having to pay more in taxes in an already uncertain economy.

My hon. Friend the Member for Bristol South (Karin Smyth) said last week that this Budget shows just how much Bristol was better off under a Labour Government than under these Tories. Then we had new schools and hospitals, Sure Start children’s centres, the education maintenance allowance and tax credits and so much more that has now gone. Under coalition and Tory Governments, we have had cuts to school budgets. Real-terms funding per pupil is set to fall and there will be a total budget cut of £3 billion by 2020—the worst funding cut since the 1970s. There are mounting pressures on the NHS, cuts to local government causing real suffering in social care, and further problems in hospitals when people cannot be discharged. This Chancellor dealt with none of those problems. There was also no mention of mental health issues, which particularly affect young people in my constituency.

I am disappointed. This could have been a Budget to prepare our country for the journey ahead, to reassure the people, universities, mayor and businesses of Bristol, and to put Britain’s families, schools and hospitals on a firm financial footing. It could have put minds at rest, and helped us to look outwards to fulfil our potential in the global economy. It could have been a Budget that invested properly in mental health, physical health and social care, that tackled the housing crisis, and that showed we value older people, who have a great deal to offer and deserve to feel secure, and children and young people, who need a decent education.

The Foreign Secretary says that we are not being patriotic, and thinks that we can just snap our fingers and summon real hope and anticipation, only to be let down, but as I come from the NHS, I am used to being let down by this Conservative Government.

Last Wednesday—International Women’s Day—was the perfect opportunity for the Government to take concerted action to ensure progress towards true equality for women, but they did not deliver. They simply provided cash handouts to keep women quiet. Yes, I welcome the three measures for women announced in the Budget, but £30 million spending in a Budget of more than £800 billion is simply a distraction from the fact that this Budget does very little for women. It does nothing to enhance their lives or living conditions. If anything, it entrenches them further. Why were women only considered in three measures? Why not throughout the entire Budget?

There is an old quote:

“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”

In the choices we make, we demonstrate what we care about, what we value and what is important to us. It is clear that this Government do not care about or value women, nor deem women important in our society. Throughout this Budget on International Women’s Day, the Chancellor proved himself to have little to no understanding of the struggles facing women today. The Chancellor has proved himself to be so far removed from women who are just about managing, women who are doing all they can to put food on the table, and women who simply wish to contribute to the economy. The Government had the opportunity to take the burden off women’s shoulders, but they did not. The Chancellor refused to ensure that women would receive the same pay as their male counterparts when returning to work after a career break.

I visited Burntwood School in Tooting last week, where more than 200 sixth-form students told me that they were concerned about gender inequality. I apologise to those students and all students in Tooting for this Government’s inaction on ensuring that women are seen and treated as equals. I apologise that this Budget not only lets women down, but ensures that it will take until well after the retirement age of those sixth-formers for the gender pay gap to close.

A Budget is not just numbers. It affects real people, real lives and real families. However, that seems to be something that the Chancellor so easily forgets. Food bank usage is soaring. I see families week in, week out in my constituency surgeries who simply cannot cope, who get halfway through the month and are unsure how they are going to provide food for their children. We on the Opposition Benches have a responsibility to protect this country’s citizens. Forcing women to prove that their third, fourth or fifth child is a product of rape in this country’s citizens. Forcing women to prove that their third, fourth or fifth child is a product of rape in order to be eligible for further child tax credit and universal credit is simply moving the burden of spending away from one area on to another. The Treasury has chosen to make a series of tax cuts that will actually cost £41 billion a year by 2020—more than the £37 billion saved from social security cuts.
Fundamentally, on a day to celebrate women—all they do and the potential they have—the Chancellor chose to segregate them further in society, and to silence them with cash handouts that will not even touch the sides of improving their day-to-day lives. If it is true that how someone spends their money shows us what they care about, we can only conclude that this Government do not care about true equality for women. This Conservative Government love to focus on having two female Prime Ministers, but it is a Labour Government who will congratulate themselves on how they treat 32.5 million women in the UK. Whatever headlines the Government try to spin, whatever jokes the Chancellor has tried to make and whatever cash handouts they provide—

Mr Speaker: Order.

Dr Allin-Khan: The fine print tells us—

Mr Speaker: Order. A Member must not continue when told to sit down, otherwise we will have anarchy in this place. It is not acceptable; it just must not happen. I call Rachael Maskell.

9.59 pm

Rachael Maskell (York Central) (Lab/Co-op): Thank you, Mr Speaker, for calling me this evening. As has already been—

10 pm

The debate stood adjourned (Standing Order No. 9(3)).

Motion made, and Question put forthwith (Standing Order No. 15).

That, at this day’s sitting, proceedings on the Amendment of the Law motion may be proceeded with, though opposed, until 11.00 pm.—(Guy Opperman.)

Question agreed to.

Debate resumed.

Main Question again proposed.

Rachael Maskell: As has been spelled out by my hon. Friend the Member for Swansea West (Geraint Davies), the economy has shrunk by 15% since June, and that cannot be ignored. Labour Members did not talk about economic cliff edges, but we did talk about the impact that leaving the European Union would have, and that has, of course, escalated, with the Prime Minister’s call to leave the single market and the customs union—a hard Brexit, not a people’s Brexit—and that is destabilising our economy further. When we reach the end of this period of negotiation, and we judge the Prime Minister against her Lancaster House objectives, I think we all know what the truth will be: she will have failed.

What did not come forward in the Budget? There was nothing on how the Government are going to mitigate economic risks such as the loss of jobs, businesses going overseas, the fall in the pound and the shrinking of our public services. When will the Government seriously say, “Stop. We have had enough. We need to put people’s interests and the economy at the forefront of these negotiations”? We need to shift the negotiation priorities to stabilise the market, recognise the benefit of the single market and half voted to achieve it by leaving the EU, but no country voted to achieve that aim by staying in the EU, and half voted to achieve it by leaving the EU, but no one talked about leaving the single market or the customs union. Of course, that is now impacting, with the increase in food and fuel prices really hitting the people in our constituencies on the front line—the consumers—who can least afford it. No one voted to become poorer, but people will have £21 less a week to spend as a result of the Government’s economic failing, with wages dropping below the level before 2007 and the economic crash.

Businesses in my constituency are also seriously challenged, even with the tweaking of our business rates, because the extortionate, over-inflated rents they pay on their properties are pushing up business rates. The sticking plasters do not go far enough to address these issues.

This is not a story of economic recovery. As we look at the £1.5 trillion of personal debt burdening people across our country, and at the national debt of £1.7 trillion, we no longer hear those calls from the Government Benches about confidence in the long-term economic plan, because we have long-term economic incompetence, and the eerie silence is echoing not just in this Chamber but throughout our land.

My concern is this: the Prime Minister has made her decision—hers alone—about what future we will have. We will be pulling out of the single market and the customs union—a hard Brexit, not a people’s Brexit—and that is destabilising our economy further. When we reach the end of this period of negotiation, and we judge the Prime Minister against her Lancaster House objectives, I think we all know what the truth will be: she will have failed.

What did not come forward in the Budget? There was nothing on how the Government are going to mitigate economic risks such as the loss of jobs, businesses going overseas, the fall in the pound and the shrinking of our public services. When will the Government seriously say, “Stop. We have had enough. We need to put people’s interests and the economy at the forefront of these negotiations”? We need to shift the negotiation priorities to stabilise the market, recognise the benefit of the single market—I will be the first to say it should be reformed—and make sure we are part of the customs union.

Economic competence is about showing that risk can be mitigated and managed—something the Chancellor failed to do last week. Before triggering article 50, I trust that the Government, perhaps even in their response today, will set out how they will respond to that risk.

10.4 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): It has not taken long for the gloss to come off this Budget. We have learned just how clueless those in charge really are. The reckless national insurance blunder told us what we need to know about the Chancellor: they saw him coming as he fell for a classic Treasury bottom-drawer policy. In the old days, it could take at least until the weekend for a Budget to unravel, but this Chancellor seems to have set a new record by producing one that disintegrated before the day was out.

What is worrying about this dreadful performance is that it is beginning to look like a pattern. As each day passes, we learn that this Government make it up as
they go along, with Ministers woefully unprepared and in some cases just not up to it. We have had the City Minister relieved of key duties and an Education Secretary who hides from the press, goes around closing schools and pretending that huge cuts in funding are fair, and thinks she can sell grammar schools by promising an easier 11-plus. The health service is on its knees, so the Secretary of State for Communities and Local Government is planning to take an extra £4.3 million in business rates from Queen Elizabeth hospital in Birmingham, and has not even had the time to discuss the implications with Health Ministers. One measure they should have announced is that they are going to treat NHS hospitals like their private counterparts and exempt them from business rates. At the head of this shambles, we have a Prime Minister without a mandate who thinks that as long as she repeats it often enough, people will believe her: no sweetheart deals, the Home Office getting more long as she repeats it often enough, people will believe her: no sweetheart deals, the Home Office getting more efficient, Brexit means Brexit. The more she repeats it, the more she repeats it, the more we see right through her. Even the Chancellor’s allies are describing her key aides as economically illiterate.

I acknowledge that the performance on the Labour Benches is not always good enough, and that may be partly responsible for the extraordinary complacency we are now witnessing from Conservative Members, but that is no reason for them to think that they can get away with providing the British people with second-rate government. It is quite incredible that in this non-event Budget the Chancellor had nothing to say about preparations for Brexit, especially as we learn that the Government are seriously contemplating crashing out of the EU without a satisfactory deal. That is not respecting the will of the British people—it is abusing the referendum result to embark on a reckless course that threatens people’s jobs and businesses large and small, and guarantees the most enormous hike in food prices.

When will this nonsense stop? When will we stop having to listen to the Foreign Secretary? I never thought I would be grateful to the right hon. Member for Surrey Heath (Michael Gove) for anything, but I am beginning to think he did us all one enormous favour. They cannot continue to go on saying anything. The Foreign Secretary thinks it will all be all right on the night, the International Trade Secretary warns that leaving without a deal will be a problem, and the Secretary of State for Exiting the EU says he is thinking about a back-up plan. It is like a live performance by the Three Stooges. Just how much longer are these people going to try pull the wool over our eyes?

This Budget could have been the opportunity to clarify some of the confusion over Government policy. They could have tried to sort out the mess on the apprenticeship levy before it is too late. They could have done something about energy prices, and the fiasco that if someone puts in a smart meter and then changes supplier, it has to be turned off. If they persist with this, that is £11 billion of Government money down the drain. There are plenty of things that they could have done in this Budget, but of course what is wrong with this Budget is that this Government do not know where they are from one day to the next.

10.8 pm

Carol Monaghan (Glasgow North West) (SNP): It is astounding that as we face a harsh cliff-edge Brexit there was practically no mention of the economic impact of Brexit in the Budget. However, I will focus on the challenges facing higher education, which have not been addressed.

The UK currently has a world-leading research base with academics from across the globe. Many of these researchers are EU nationals. In order to protect the quality of this sector, the Prime Minister should be rolling out the red carpet for these staff, begging them to remain here, but instead the Government have only offered vague and confusing messages to EU citizens without providing any guarantees as to their right to stay. This has left many of our EU national friends and colleagues, world leaders in their fields, looking elsewhere for positions. This impacts significantly on the economy. International students, both EU and non-EU, are worth over £25 billion to the UK economy and provide a significant boost to regional jobs and businesses. Research conducted for Universities UK on the economic impact of those students shows that in 2014-15, spending by international students supported more than 200,000 jobs in university towns and cities, with the transport and retail sectors benefiting greatly from their spending.

The UK is currently the second most popular destination for overseas students, after the US. In 2014, the 400,000-plus international students in the UK made up 19% of all students registered at UK universities. They come here not because they like the weather, but because of the quality of courses on offer and the research being conducted. Without international research expertise, we will struggle to attract those students and we will feel the economic pinch.

The picture in Scotland, of course, is similar to that in the UK as a whole. Scotland’s higher education institutions benefit greatly from EU funding programmes, but how much longer that continues is currently in the hands of the UK Government, and that is a huge worry. Through Horizon 2020, Scottish higher education has secured more than £217 million. That funding is vital for attracting skills and talents and for keeping our research institutions at the top of international league tables. Without that funding stream and the associated collaborations, our institutions may struggle to remain internationally competitive. As well as losing international students, we could fall behind other economies in terms of productivity and innovation.

The Chancellor has not made clear how the UK Government are going to match that threatened funding. To not do so would just prolong the uncertainty, which is already causing much anxiety in the sector. Securing our future in Horizon 2020 and its successor programme should be a priority.

I am really positive about the £300 million being offered in England to support 1,000 new PhD places and fellowships in STEM subjects, but I do wonder where the supervisors and lecturers will come from. Will EU nationals be welcome to apply for those posts? Will they be welcome to stay?

There is £320 million of funding for 110 new free schools and grammars, but we know that the single most important resource in ensuring excellence in education is the teacher. We have already seen an erosion in the terms and conditions of teachers in England under this Tory Government. Can the Tories now guarantee that nationally agreed pay scales and conditions such as
maternity and sick pay will be guaranteed? At least Scotland now has the possibility of a new and brighter future.

10.12 pm

Melanie Onn (Great Grimsby) (Lab): This year’s Budget coincided with International Women’s Day, whose theme was “Women in the Changing World of Work: Planet 50-50 by 2030”. It is nearly 100 years since women were first granted the right to vote in the UK, but there is still much to do to achieve gender equality, both here and around the world.

The last Labour Government achieved so much for women. We introduced the minimum wage, created tax credits, increased maternity and paternity leave and pay, introduced pension credits, expanded childcare, and introduced the Equality Act 2010. That all made a massive difference to women in this country.

Gender equality means delivering long-term, tangible change for women, including securing women’s economic freedom, providing secure work and promoting women’s access to innovative technologies. The Budget could have taken greater steps to achieve some of those aims. Instead, the Tory Government, in their seventh year, have failed to redress the disproportionate impacts experienced by women as a result of tax and benefit changes and public spending cuts since 2010. From tax credit cuts to the crisis in social care, it is women who have consistently been hit hardest by the ‘Tories’ policies.

Yet again, this Government have made no assessment of how their policies impact on women in the UK. As of the 2017 spring Budget, £80 billion—more than three quarters of all savings—have come from women, with a disproportionate impact on women from black and minority ethnic backgrounds. Even the lauded £5 million for returning-to-work mums works out at a pretty useless £10 a mum. What exactly will that buy?

That is why I support the recent announcement by my hon. Friend the Member for Rotherham (Sarah Champion), the shadow Secretary of State for Women and Equalities, that she will seek to introduce an economic equality Bill, which will eliminate obstacles that prevent women from reaching their economic potential. Part of that will be the need to provide more secure work. The number of those working without guaranteed hours or baseline employment rights has shot up by more than 660,000 over the past five years. How is a working parent—a working mother—supposed to plan childcare when they do not know the hours they will be working? Never mind the fact that, under this Government, only a third of local authorities actually believe there will be enough childcare available in their area for eligible families.

The reality is that women still make up the majority of part-time, non-permanent full-time and zero-hours contracts. Of the 900,000 workers—nearly 1 million—on zero-hours contracts, 55% are women. That should come as no surprise because, in almost any labour market in the world, social care work is performed by an insecure and largely female workforce. In the UK care sector, companies delivering social care for cash-strapped councils are, in a bid to remain viable, offering more zero-hours contracts than ever, which means even less protection for these workers.

Equality must make more of a priority than this Government are currently affording it. One way to do that would be for the Government to provide a clear commitment to play a much more active role by promoting women’s access to innovative technologies to help them be successful entrepreneurs and leaders in innovation; encouraging women to enter and thrive in the tech industry; creating the conditions necessary for change at all levels; and encouraging women to enter typically male-dominated sectors, such as the energy and renewables sector. That is happening in my constituency, where the likes of DONG Energy and E.ON are providing excellent apprenticeships for young women. The Government used to talk about that, but they have now gone suspiciously quiet.

We should do much more than the Government’s Innovate UK initiative, which is seeking to invest £200,000 to help more women to be successful entrepreneurs and leaders in innovation, as this one-off initiative essentially offers just 12 women a tailored package of support, of whom just four will actually receive a financial package worth up to £50,000. That is not a ringing endorsement of women by this Government.

10.16 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): This was supposed to be a new start with a new Chancellor, yet we have ended up with the same shambles and the same post-Budget failouts.

Yet again, Scotland did not really feature in the Budget. It was mentioned twice: once in terms of increased productivity, and once with regard to Barnett consequentials. The way this Budget process works is that at no time do the UK Government ever ask the Scottish Government what they need. All that happens is that there are some panicked health and education allocations in the Budget, Scotland gets some Barnett spin-offs and we are meant to be eternally grateful. That is not mature Budget setting.

As my hon. Friend the Member for Argyll and Bute (Brendan O’Hara) said, the tax system is outdated, especially in the way it treats whisky. Why should whisky be taxed at 79%? Why do we not tax real luxury goods that only the wealthiest can afford and increase taxes that way? If the concern is about alcohol harm, why do the Government not look at minimum unit pricing, instead of crippling the Scottish whisky industry?

The Chancellor mentioned clamping down on tax avoidance, yet there are only two new additional income streams in the Budget. They are predicted to bring in only an extra £200 million over five years, which is a paltry amount compared with the Budget. Meanwhile, tax credit debt collection is predicted to bring in half a billion pounds in just over four years. We must ask ourselves whether the Government are clamping down on tax avoidance, or on hard-working families that have gone into tax credit debt due to failings in the tax credit system. It is another Concentrix waiting to happen.

The Chancellor told us he wants to leave some gas in the tank, yet he has left us all the tax giveaways: he has not revisited them or slowed down on them. We have £23.5 billion in giveaways with corporation tax, £2.8 billion with inheritance tax relief and £3.7 billion in lifetime ISA tax relief, which is £30 billion of tax giveaways in just a few lines. Yet the very same Chancellor sees fit to
take £2 billion in national insurance contributions off the self-employed. The self-employed are struggling and do not get holidays, and many of them were forced to go self-employed because of Tory austerity measures in the first place. These people have been haled as the new entrepreneurs who are going to take the country out of recession, yet they are getting hammered by national insurance contributions.

Meanwhile, for other hard-working people £1 billion is being recouped from salary sacrifice schemes, £1 billion from the realignment of primary and secondary national insurance contributions, £1.7 billion from changes to termination payments—more people are having to take voluntary redundancy than ever before—and £4 billion from insurance tax premiums. That is £10 billion from those who are just about managing, or are struggling to get by in work. Then there is the £6 billion to come from the two-child tax credit policy. Not mentioned in the Budget were the 2016 measures that have already kicked in—£30 billion from the benefits freeze and the welfare cap. We have already heard tonight about the WASPI women. There was nothing in the Budget for them, even though the SNP has a costed proposal for £8 billion, which is easily affordable compared with the tax giveaways. It is clear that the tax giveaways come on the backs of the most vulnerable in society.

On energy, there was nothing for the oil and gas industry; nothing on carbon capture and storage; nothing on renewables where investment will fall by 95% by 2020 and one in six jobs is at risk; nothing on decarbonisation and transport; nothing on Brexit; and nothing for farmers in Scotland. This is a poor Budget and it is only hidden by the Brexit shambles.

10.20 pm

Neil Gray (Airdrie and Shotts) (SNP): The Chancellor made several errors in his Budget. Somehow within hours he managed—in one of the thinnest Red Books for years and with a Budget of so little detail and so little action—practically to unite his Back Benchers, the Opposition and the press in calling for a U-turn on his central announcement on national insurance contributions.

I will be slightly kinder to the Chancellor than the former Prime Minister, because I know what he was trying to do. I can understand it: there is a worrying and growing trend of companies outsourcing their employees as self-employed contractors to save on employer NICs costs. Self-employment is a good choice for many workers in the UK, but when workers do not have the choice and the employer drives the change, it tends not to be in the best interests of the workers. Raising employee NICs is not the way to solve the problem, and I suspect that the Chancellor may have to go back to one of his infamous spreadsheets soon.

The Chancellor’s biggest errors, for people up and down these isles, were errors of omission, and I plan to speak briefly about three of them—the employment and support allowance work-related activity group, WASPI and squeezed family budgets.

There was nothing from the Chancellor on ESA WRAG. In November I tabled a motion that was supported by Members from nine parties—that does not happen often—and it called on the UK Government at least to pause their cuts to ESA WRAG until the work and health Green Paper had been considered and implemented. People receive ESA WRAG because they have been assessed as unfit for work—they have long-term health conditions or disabilities that slow their path to employment. It has always been considered right that given their increased costs in finding work because of their disability or health problems, and the fact that they need support for longer than those on jobseeker’s allowance, they should receive a higher weekly payment. On 1 April that extra £30 a week will be cut away.

During the debate in November, the hon. Member for Enfield, Southgate (Mr Burrowes) garnered an important commitment from the Minister that financial mitigation and new regulations to help those falling in and out of work would both be in place before the cut came into force. We are less than three weeks from ESA WRAG being cut and we have heard nothing from the Government. The motion I tabled in November was deliberately consensual. It was a final appeal, a last pitch to the Government to act. Hon. Members on both sides of the House are now fast losing patience: time is running out and the Government need to act now.

The Budget included nothing on WASPI. On Budget day I joined a huge rally of women outside Parliament to call on the Chancellor to act on the injustice served to thousands of women born in the 1950s who have seen their state pension age increased at a faster rate than promised with little or no warning. Three of the 3,500 women affected in my constituency were there and it was a pleasure to speak to Ellen Connelly, Joan Cassels and Margaret Nisbet. It is not sustainable for the UK Government to keep trying to ignore those women—women who have suffered workplace injustice throughout their careers. The Government should do the right thing by those women and give them appropriate transitional relief.

All the people affected by those errors of omission were victims of this Brexit Budget as the Chancellor set aside £26 billion as a down payment on exiting the EU. Ironically, however, there was barely a passing mention of the greatest economic, social and constitutional challenge to face this or any other Government for decades. Inflation is expected to rise, further squeezing households that are facing social security cuts and painfully slow wage growth. Cuts to support for sick and disabled people, cuts to women’s pensions, hundreds of thousands more in child poverty, slow wage growth and poor productivity—not so much spreadsheet Phil as the Dickensian Chancellor.

10.24 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I am grateful for the opportunity to contribute to this debate on the Budget and Britain’s place in the world. I want to speak about the Budget proposals for education and the risks they present to our children who, in the context of Brexit and changes across the world, face an uncertain future. Our education system must be equipped and resourced to deliver the best possible education for all our children and young people to provide them with the skills, knowledge and confidence to navigate our uncertain world and to be truly global citizens of it.

I am fiercely proud of the schools in my constituency and everything they do to ensure our local children do the transformation of the quality of education in London was one of the proudest achievements of the last Labour Government. In my constituency alone, we saw four new secondary schools, and this record of delivery is
continuing with a further new secondary school that opened last year as a result of a strong campaign by parents and local councillors. Every day, teachers in our local schools are delivering brilliant imaginative lessons, helping our children to be the best that they can be and achieving excellent results.

Yet the resources that the schools in Dulwich and West Norwood need to continue their excellent work are under threat. The Government have broken their manifesto commitment to protect per pupil funding for our schools. The NAO confirmed that the Department’s overall schools budget is protected in real terms, but does not provide for funding per pupil to increase in line with inflation. In addition, the Government have loaded further significant costs on to our schools that are not funded: national insurance contributions, the national minimum wage and the apprenticeships levy. Each of those costs are important in their own right, but it is entirely unfair of the Government to impose them without also funding them.

Schools in my constituency are already reducing staffing numbers to cope with these additional costs. On top of these burdens, the Government are proposing to cut the funding for London schools in order to deliver a fair funding formula for schools across the country. I support the objective of fair funding for our schools, but there is nothing fair about taking vital funds away from some schools. This will have a direct impact on the quality of education our schools are able to provide, and it will affect the competitiveness of the UK economy. The Budget does nothing to address this. Instead of committing to increasing the education budget by just 1% to ensure that all schools can access fair funding without any school losing out, it commits funding in order to open new grammar schools which, by any measure and definition, can deliver only for a small number of children.

As we contemplate the future of the United Kingdom outside the European Union in a rapidly changing global economy, it is not a time for nostalgia to be the defining force in education policy. It is a time to be learning from the success story of London schools—investing in our education system to ensure that it is fit for purpose to equip our children with the knowledge, skills and confidence to thrive in a challenging and uncertain world. The Foreign Secretary may trivialise the challenge of global trade with reference to boomerangs and Toblerone, but I want our schools to be able to equip all our children with the values of tolerance, diversity and internationalism, and with the skills and qualifications to pursue careers in science and technology, culture and the arts, green industries, health and social care, construction and many other fields. By cutting the funding for our schools, this Government and this Budget are failing them.

10.28 pm

Liz McInnes (Heywood and Middleton) (Lab): Since the Budget statement last week, this Government have been heckled by headteachers, nobbyed by national insurance and slated by the self-employed, as they blatantly break manifesto promises. The Chancellor appeared to have spent far too much time polishing up his stand-up routine and far too little on the finer details of what his party promised in their 2015 manifesto. The fact that the Prime Minister has now been forced to announce that the increase in national insurance contributions for the self-employed will be pushed back to the autumn shows a Government in disarray and does nothing to give security and certainty to working people. The Federation of Small Businesses is scathing about the national insurance rise, saying that it should be seen for what it is—a £1 billion tax hike on those who set themselves up in business.

The Chancellor claims that the economy grew more than expected last year, but this does not mean that everyone is better off. Indeed, the growth in the economy is on the back of a rise in employment coupled with a shift towards lower-paid jobs, with this growth largely driven by rises in self-employment and part-time jobs. In fact, while in most other countries, including France and Germany, both the economy and wages have grown, the United Kingdom is the only big, advanced economy in which wages contracted while the economy expanded. For the one in five public sector workers in the UK whose average pay is now more than £1,000 lower in real terms than it was in 2010, the Chancellor’s boast of growth in the economy is cold comfort for those who are “just about managing”, but are really struggling to cope with a constant fall in living standards.

The Chancellor’s statement was remarkable more for what it did not say than for what it did. There was barely a mention of Brexit, there was nothing for WASPI women, and there was no mention at all of the previous Chancellor’s failure to deliver a promised surplus by 2020. The right hon. Member for Tatton (Mr Osborne) now seems to be devoting himself to creating his own personal surplus, having failed to deliver on his promises for the UK economy. He was the Chancellor who used to talk about strivers and shirkers; the current Chancellor is now attacking the self-employed strivers and shirking his own manifesto promises.

The £2 billion for social care is welcome, but that money is needed now to address the crisis in social care, rather than being spread over three years. Moreover, it is well short of the £4.6 billion shortfall in social care funding in the last Parliament.

As the Chancellor was at pains to point out, Budget day coincided with International Women’s Day. It is a sad fact that women are bearing the brunt of Tory austerity. Since 2010, 86% of the Tories’ net savings to the Treasury through tax and benefit measures will have come from women. Nothing in the Budget will reverse that trend, and, in yet another example of women being unfairly hit by this Government, the Chancellor has once again failed to address the hardship caused to millions of women by poorly handled changes in the state pension age.

As for our young people, the Chancellor claimed: “We on this side of the House will not saddle our children with ever-increasing debts.”—[Official Report, 8 March 2017; Vol. 622, c. 811.]

This from a party that trebled tuition fees, scrapped education maintenance allowance, abolished maintenance grants and NHS bursaries, and denies the so-called national living wage to those below the age of 25.

The Chancellor told a lot of jokes last week, but people in my constituency are not laughing. This is not a Budget for women, for the young or for business entrepreneurs, and it does not work for everyone.
10.32 pm

Jim Shannon (Strangford) (DUP): The first thing that we should celebrate is the fact that the European Union (Notification of Withdrawal) Bill has come back from the other place, and this House is now, at long last, free to implement the Brexit will of the people. That is good news.

This is a difficult time of the year for those who have the dubious honour of lifting that red case. There are always groups who are happy to see a cut or happy not to see a cut in some sectors, depending on their opinion, but we all know that rises are inevitable when the aim is to cut one's coat to suit one's cloth.

I want to speak about the increase in national insurance for the self-employed. Some 4.8 million self-employed workers in the European Union will be affected by it. The rate of class 4 national insurance contributions is to rise by 1% to 10% in April next year, with a further rise planned for 2019. There have been some murmurs from the Government that the move may be reviewed. I know that some Conservative Back Benchers are not happy about it, and I hope that the Minister will tell us what the position is.

Given that small and medium-sized enterprises in Northern Ireland employ more people than large companies and the public sector combined, it is essential that we provide support rather than further burdening a group who pay more than their share in tax. I have, of course, heard the cries from Conservative Members that the increase is “only a few pounds a week”, but that refers to last year’s Budget. The fact is that the cumulative rise will put more pressure on those who work so hard as it is. I do not think it is right for the Government to take this approach at this stage. Again, I look forward to hearing the Minister’s response.

The Budget is a curate’s egg, containing some good things and some bad things. It is good news for the NHS that it will receive £425 million in Government investment over the next three years, and congratulations should be given where they are due. However, the British Medical Association has expressed concern, saying that “the plans need at least £9.5 billion of total capital funding to be delivered successfully.”

Can the Minister confirm that there are indeed no plans to privatise further any aspect of the NHS?

I want to speak about health issues, too. The number of full-time GPs has fallen by nearly 100, while overall there has been no real increase in the number of GPs working in GP practices. I ask the Government and the Financial Secretary to the Treasury, who is looking responsive—as a former Health Minister, that is important—what steps are being taken to ensure that students are encouraged to take up the GP mantle. Some things could be done. I am aware of incentives last year that offered golden handshakes of up to £20,000 to become a GP in an understaffed area. Again, I am not saying that that will be the norm for the Government, but we need to address those issues in a positive way. Whatever way we recruit more GPs, I ask that consideration be given to that.

I conclude on one issue that really concerns me and many in this House. No specific funding has been allocated to children’s palliative care. Research by Together for Short Lives on equitable funding for children’s palliative care shows that voluntary sector children’s palliative care organisations receive just 22% of their funding from statutory sources, compared with 30% for adults. The Government have stated that commissioners and providers of services must prioritise children’s palliative care in their strategic planning. What steps are the Government taking to ensure that that happens? Will they provide further guidance to commissioners of children’s palliative care charities to address the inequity in financial support received by these organisations, which do tremendous work, deserve to be helped and provide lifeline care to children with life-limiting and life-threatening conditions, and their families?

As I said earlier, this is a curate’s egg of a Budget. There are good things and there are bad things in it. Among the things we need to address are the health issues. Among the good things is the extra money that has been set aside.

10.36 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): It has been a privilege to listen to the Budget debate today and to be able to respond on behalf of the Opposition. We have heard 32 Back-Bench speeches, two thirds of which have come from the Labour Benches, but in many ways it is understandable that so few Conservative Members wished to speak today. It was surely quite an achievement that the Chancellor managed to deliver a Budget that was so thin on announcements yet could generate so much criticism in response. In many ways, it was a Budget that pleased no one—apparently, not even the Prime Minister or, as we have learnt, the former Prime Minister.

For those of us hoping to see real help for public services, especially health and social care, there was only disappointment. For people who wanted to see how the Government would tackle the squeeze on living standards and persistent low pay, there was only consternation and outright anger at the national insurance rise. For anyone wondering what the path to prosperity will be for this country as we leave the European Union and seek a new place in the world, there were no answers at all. The Chancellor may be known as “Spreadsheet Phil”, but on this occasion he certainly did not Excel.

The Chancellor did, however, surprise us all by revealing that he likes to make a joke himself. I particularly liked his opening anecdote about Norman Lamont delivering his last spring Budget and being sacked as Chancellor just 10 weeks later. However, I imagine that that started to feel a bit less funny when the Chancellor saw his own headlines the next day.

Let me begin by considering the most controversial item, which has been mentioned by many hon. Members today: the significant hike to national insurance for the self-employed. On the Labour Benches, we simply do not accept the Conservatives’ belief that self-employed people now receive the same rights as employees. Self-employed people do not receive sick pay, maternity pay or paternity benefits. They are not eligible for industrial injuries disablement benefit and they cannot be auto-enrolled into a workplace pension scheme. The law may now give them similar access to state pension benefits, but receipt of that is decades away for most. Simply put, while they are in work, they are on their own. Most significantly, as one of my constituents said to me on Friday, if they lose their business, they are not even
eligible for contributory jobseeker’s allowance. So to increase the tax burden on them, without a commensurate increase in benefits, is simply unfair and we will oppose the Government on it.

We recognise absolutely that there is a need to tackle bogus self-employment. I have constituents who are construction workers who have been forced to register as self-employed, who are paid the minimum wage and then receive the remainder of their salary as dividends. I believe that to be completely wrong. But it seems clear to me that an arrangement such as that is primarily designed to avoid liability for employers’ national insurance and for other benefits, and that is surely where the Government’s attention should be. To punish the self-employed, beginning with those earning above just £16,250 a year, while at the same time pressing ahead with very large reductions to corporation tax, to inheritance tax and to the bank levy, is a sign of a Government who simply have the wrong priorities—and to break a manifesto commitment to do that represents a profound lack of judgment.

Those misplaced priorities were also evident elsewhere. Social care in this country is in crisis—although, to be frank, the word “crisis” does not seem strong enough. As several Members have said today, that view is widely held on both sides of this Chamber. In the last Parliament, over £4.5 billion was taken out of adult social care alone. The King’s Fund and the Nuffield Trust say that over £4.5 billion was taken out of adult social care spending goes on adults with learning support they need. Some 400,000 fewer adults are receiving publicly funded social care today than in 2010. Age UK says over 1 million older people have to get by without the support they need.

This year, public spending on social care in real terms was less than it was 2009-10. As we have an ageing population, it is fairly clear that that is not a sustainable position. Some 400,000 fewer adults are receiving publicly funded social care today than in 2010. Age UK says over 1 million older people have to get by without the support they need.

Of course, this is not just about older people: a third of social care spending goes on adults with learning difficulties—a situation that directly affects me and my family, so I declare an interest in that. These are all areas where we, as a society, should come together and ensure that we are willing to protect and take care of vulnerable people. There can be no area more in need of a long-term consensus than this one, so I reiterate again the offer from the Opposition to the Government: we would join formal cross-party talks aimed at finding a sustainable and long-term solution, as many Members have asked for in this debate.

On the biggest issue of all—Brexit: what it will mean and how we will prepare for it—there was almost nothing. In fact we could be forgiven for thinking that the Chancellor does not think very much is going on right now, but we face some fundamental decisions, at a time when living standards for many people have taken a real hit, and they do not feel the economy works in a fair way for them.

This is the worst decade for pay in 70 years. Real pay rates are still lower today than before the financial crisis. We have 6 million people earning less than the living wage, and 4 million children living in poverty, two thirds of whom have a parent who is in work.

Against that backdrop, this Budget was simply inadequate. Where was the contrition that this has been the slowest recovery since the 1920s? Where was the recognition that we need to see a much greater and fairer distribution around the UK of investment in things like transport, so that we can ensure that each region fulfils its potential? Where was the plan to increase business investment? Fixed capital formation is lower today than it was in the 1970s.

There has been speculation that the Chancellor did so little because he wants to keep a Brexit “failure fund” as a war chest in case things go wrong, but surely it is his job to make those decisions now, to ensure that things do not actually go wrong to begin with. At a minimum, with changes to immigration rules almost certain, we might have thought that the Government would rethink cuts to school budgets and focus on the education of people here in the UK, but no such commitment was forthcoming.

On the issue of spending choices, I understand that when the Government are taking a hit for their poor decisions they always seek to deflect the attention back to the Opposition, but the accounting envelope for the decisions taken in this Budget is very clearly set out in the Government’s own documents. To take just one example, on page 30 of the Red Book it is clearly stated that the decision to further cut corporation tax will cost £2.2 billion in 2017, a further £2.2 billion in 2018, £3.1 billion in 2019, £4.9 billion in 2020, and £5.2 billion in 2021. Of course we want a globally competitive rate of corporation tax, but there is such a thing as a diminishing return. The average rate of corporation tax in the OECD is 25%, and a bargain basement level of corporation tax will do us no good if we do not have sufficient infrastructure across the country or we lack a workforce with the skills that businesses need, or if we have to fund that low level of corporation tax by hammering small businesses with unreasonable business rates or increase the tax burden on the self-employed.

To take another example, on the big cut to inheritance tax, phasing in the new couples’ allowance of £1 million in 2017 costs £265 million this year, £565 million next year, £610 million in 2019, £650 million in 2020, and £725 million in 2021. Incidentally, of the nearly 3,000 houses sold in my constituency last year, only six were sold for values above the current inheritance tax threshold of £650,000. I thank my hon. Friend the Member for Leeds West (Rachel Reeves) for her research and campaigning on that issue. This is a Budget dictated not by poor financial constraints but by poor Conservative choices. It is defined by the unfairness of the choices it makes, by the hypocrisy of a broken manifesto commitment and by its total, abject failure to offer a coherent plan for the UK’s prosperity and for our future place in the world.
10.45 pm

The Economic Secretary to the Treasury (Simon Kirby):
This debate has focused on our future. It has asked what kind of Britain we want to be as we write an important new chapter in our history. In opening the debate, my right hon. Friend the Foreign Secretary expressed, in his very clear style, the fact that Britain must now, as ever, continue to play an active, engaged and constructive role on the international stage. Many hon. Members have echoed that sentiment, and I thank the 32 right hon. and hon. Members who have spoken for their thoughtful and varied contributions this evening. In the short time available, I will do my best to address the points that they have raised.

Many hon. Members have focused on that most pressing of priorities: how we make Brexit—I will say the word—a success for the whole country. In summing up this debate, I want to look beyond that to how we want the rest of the world to view 21st-century Britain. For me, and I hope for the hon. Member for Bristol West (Thangam Debbonaire), that means a prosperous country that is open for business and that is pioneering global developments in science and technology. So let me make a few remarks on that theme and respond to some of the points that we have heard today.

First, there is the need for a prosperous, stable and economically successful Britain. Once again, I remind those who do not acknowledge it of the absolute importance of Britain living within its means. Everyone should agree on that. For the sake of our long-term prosperity and for the good of our public services, we simply have to put our national finances on a stable and sustainable footing. So we are going to keep preparing Britain for whatever comes, getting the structural deficit below 2% of GDP and getting our debt falling during this Parliament.

We are also focusing on growing our economy. We want the world to see Britain as a country that is open for business, backing entrepreneurs, creating jobs and attracting foreign investment. That is the best way to raise living standards for people right across our society and up and down our country. That is why we have established a competitive tax environment. Corporation tax, which the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) mentioned, will this year be the lowest in the G20 at 19%, falling even further to 17% in 2020. I should point out to him that when it was reduced from 28% to 20%, it resulted in a 28% increase in tax revenues and in more jobs. Also, there are an additional two thirds of a million new jobs in the forecast period, meaning more money, more businesses doing well and more people with a wage packet at the end of the week.

Alan Brown: Will the Minister give way?

Simon Kirby: I will not give way.

Let me move beyond tax, because there are many other ways in which we are making Britain more productive and more attractive as a place to start or run a business. The big investment in skills—half a billion pounds a year—will benefit hundreds of thousands of our young people, giving them the best choice since A-levels were introduced 70 years ago and bringing forward the next generation of talent that businesses will rely on. The changes that we have made to invest in current and new schools and to make our technical education as good as that of our international competitors are important for everyone. Not only are they good for business, they will make a huge difference to the lives and careers of our young people. It is a good policy for everyone.

Something else that shows the world that Britain is open for business is the £23 billion investment package that we announced only weeks ago in the autumn statement: the national productivity investment fund. The Budget set out some of the important improvements that the fund will make, such as addressing pinch points on our national road network and investing in the digital infrastructure that modern businesses depend upon. There is much going on to establish Britain as a world-leading country for business.

The Government are ensuring that Britain plays its part at the forefront of tomorrow’s technology. More than half a billion pounds was allocated at the Budget to help our innovators compete on the international stage, including support for trailblazing advances such as electric vehicles, robotics, and artificial intelligence. Investing in upholding the UK’s reputation as a world leader in R and D is not only a point of pride; it is a valuable boost to jobs and opportunities for British people.

I tell the right hon. Member for Islington South and Finsbury (Emily Thornberry), my hon. Friend the Member for Stafford (Jeremy Lefroy), and the right hon. Member for Carshalton and Wallington (Tom Brake) that we have protected the FCO’s budget in real terms to promote British interests around the world. I say to the right hon. Member for Carshalton and Wallington that both trade and human rights are clearly important.

My hon. Friend the Member for Halesowen and Rowley Regis (James Morris) raised the important issue of the Black country, making good points about productivity, transport infrastructure and skills. To the hon. Members for Aberdeen North (Kirsty Blackman) and for Airdrie and Shotts (Neil Gray), I say that living standards grew at their fastest rate in 14 years in 2015 to reach their highest ever level and are forecast to have gone even further in 2016. My hon. Friend the Member for Horsham (Jeremy Quin) made a skilful speech and commended the skills measures in the Budget—the biggest change in post-16 education in 70 years.

The hon. Member for Bury South (Mr Lewis) asked about uncertainty, and I should make it clear that the Prime Minister’s first objective in the negotiations is to provide certainty and clarity. The hon. Member for Luton South (Mr Shuker) asked about the type of Brexit, but the Prime Minister has been abundantly clear that we are aiming for a comprehensive deal based on the highest levels of goods and services. My hon. Friend the Member for Erewash (Maggie Throup) and for Glasgow North West (Carol Monaghan) that the Government have been clear that the UK will remain open for business, outward facing, and global looking. The benefits of immigration will be retained, but immigration will not be uncontrolled. My hon. Friend
the Member for Witney (Robert Courts) applauded measures relating to skills and R and D, and I thank him for doing so. The hon. Member for Stretford and Urmston (Kate Green) asked about the Budget’s lack of environmental measures. We will consult on a national air quality plan in a matter of weeks. Along with the right hon. Member for Knowsley (Mr Howarth) and the hon. Member for Dulwich and West Norwood (Helen Hayes), the hon. Member for Stretford and Urmston also asked about school funding, and I remind them that the Government are giving more money to schools than ever before, reaching over £40 billion this year.

To my hon. Friend the Member for Tiverton and Honiton (Neil Parish) I say that the Government remain committed to devolving powers to support local areas to address their specific productivity barriers. To the hon. Member for Ilford South (Mike Gapes) I say that the Government remain committed to controlling migration and living within our means.

On business rates, I point out to Members that the £435 million package is in addition to the £3.6 million transitional relief scheme. The Government are also reducing business rates for all rate payers over the next five years—this is costing almost £9 billion—and that includes taking 600,000 businesses out of paying business rates altogether.

National insurance contributions were mentioned by the hon. Members for Kilmarnock and Loudoun (Alan Brown) and for Birmingham, Erdington (Jack Dromey). The Prime Minister has made it very clear that the changes to national insurance will require legislation later this year, which will be brought forward after we publish a paper explaining the full effects of the changes, along with the changes to rights and protections for self-employed workers.

We have heard questions about regional infrastructure, and as far as the north is concerned we have put in place £90 million to tackle congestion. The hon. Member for Norwich South (Clive Lewis) asked me about businesses relocating, and I can assure him that we will be seeking a bold and ambitious free trade agreement. The hon. Member for Swansea West (Geraint Davies) said that the Budget is not doing enough for Wales, but I wish to point out that the Welsh Government’s resource budget will increase by almost £150 million through to 2020. The hon. Member for Argyll and Bute (Brendan O’Hara) mentioned an increase in alcohol duties. We do recognise the importance of the Scottish whisky industry and I am pleased that those exports have increased.

The hon. Member for Tooting (Dr Allin-Khan) asked us to show her the money, and I would say that £2.4 billion over the next three years for social care is quite a lot of money. She, along with the hon. Members for Great Grimsby (Melanie Onn) and for Heywood and Middleton (Liz McInnes), also asked about supporting women, and I wish to point out that the gender pay gap is at a record low and there are more women in work than ever before. The hon. Member for York Central (Rachael Maskell) talked about the economy shrinking, but ours was the second fastest growing major advanced economy in 2016. I wish to point out that the NHS is free at the point of delivery and that is not going to change.

In closing, let me say that as the UK takes a new direction, we are paving the way for a Britain that is economically strong and stable; a Britain that is open for business; and a Britain at the forefront of technological progress. In short, this is a Britain that takes its place in the world as a prosperous, forward-leaning, outward-facing country. It is a truly global Britain and a country that works for everyone.

Ordered, That the debate be now adjourned.—(Mark Spencer.)

Debate to be resumed tomorrow.

**Business without Debate**

**DELEGATED LEGISLATION**

**Motion made, and Question put forthwith (Standing Order No. 118(6)),**

**COMPANIES**

That the draft Reporting on Payment Practices and Performance Regulations 2017, which were laid before this House on 31 January, be approved.—(Mark Spencer.)

Question agreed to.

**Motion made, and Question put forthwith (Standing Order No. 118(6)),**

**CONTRACTS**

That the draft Limited Liability Partnerships (Reporting on Payment Practices and Performance) Regulations 2017, which were laid before this House on 31 January, be approved.—(Mark Spencer.)

Question agreed to.

**Motion made, and Question put forthwith (Standing Order No. 118(6)),**

**PENSIONS**

That the draft Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2017, which was laid before this House on 2 February, be approved.—(Mark Spencer.)

Question agreed to.

**Motion made, and Question put forthwith (Standing Order No. 118(6)),**

**SOCIAL SECURITY**

That the draft Bereavement Support Payment Regulations 2017, which were laid before this House on 12 January, be approved.—(Mark Spencer.)

The Speaker’s opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 15 March (Standing Order No. 41A).

**Motion made, and Question put forthwith (Order, 28 February, and Standing Order No. 118(6)),**

**ELECTORAL COMMISSION**

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Professor Elan Closs Stephens as an Electoral Commissioner with effect from 13 March 2017 for the period ending on 12 March 2021.—(Mark Spencer.)

**BUSINESS, ENERGY AND INDUSTRIAL STRATEGY**

Ordered,

That Kelly Tolhurst be discharged from the Business, Energy and Industrial Strategy Committee and Antoinette Sandbach be added.—(Bill Wiggin, on behalf of the Committee of Selection.)
JUSTICE

Ordered,
That Marie Rimmer be discharged from the Justice Committee and Jo Stevens be added.—(Bill Wiggin, on behalf of the Committee of Selection.)

SCIENCE AND TECHNOLOGY

Ordered,
That Dr Roberta Blackman-Woods be discharged from the Science and Technology Committee and Gareth Snell be added.—(Bill Wiggin, on behalf of the Committee of Selection.)

Leaving the EU: Poultry Producers

Motion made, and Question proposed, That this House do now adjourn.—(Mark Spencer.)

11 pm

Ian Paisley (North Antrim) (DUP): I declare that I am a member of the British Veterinary Association. It is a pleasure to introduce this Adjournment debate tonight, especially after the landmark Brexit Bill has finally passed both Houses. As we will be debating the effect of leaving the EU on the UK’s poultry meat sector, that is an important landmark.

I shall put the scale and importance of the poultry industry into some perspective for the House. UK agriculture contributes £46 billion to the economy, and for every pound invested in farming we generate £7.40. Poultry is a key part of that offering. The recent Oxford Economics report on the economic impact of the poultry meat industry included the following important facts. The poultry meat industry supported £4.6 billion of gross value added contribution to gross domestic product, which is the equivalent of 0.2% of the United Kingdom’s entire economic output. For every £1 million of economic activity that the industry generates, it supports a further £1.33 million elsewhere. In total direct and indirect employment, it supports 4,500 people throughout the entire United Kingdom, or 0.3% of the total UK workforce. The industry directly employs 37,300 people, and it supported £1.1 billion in tax contributions in 2014, or 0.2% of all tax receipts collected that year. If I were to say it is an important industry, I would be a master of understatement.

In Northern Ireland, we contribute to the vast industry I have described. In fact, one in every four chickens consumed is produced or processed in Northern Ireland. Moy Park is one of Northern Ireland’s largest employers; it is a major employer in our country. Of the 37,300 employees in the sector throughout the UK, 11,750 are employed by Moy Park. Of the £4.6 billion the industry contributes to GDP, Moy Park contributes £226 million in staff costs—a significant contribution given that Northern Ireland has a population of only 1.7 million. Of the 2,500 farms in the UK that produce poultry meat, 800 are contracted to the Moy Park supply chain. Northern Ireland accounts for more than a quarter of the 19 million birds that are slaughtered in the UK each week—in other words, 5 million birds a week.

Jim Shannon (Strangford) (DUP): I thank my hon. Friend for bringing to the House for consideration an important issue for my constituency. Is he aware that the poultry sector does not receive any moneys directly from the common agricultural policy? Does he therefore feel that, post-Brexit, there is an opportunity for the poultry sector to grow, not only throughout Northern Ireland but particularly in Strangford?

Ian Paisley: I intend to come on to a number of challenges for the industry, but will also offer the Secretary of State for Exiting the European Union and the Secretary of State for Environment, Food and Rural Affairs the opportunity to address some of the issues. My hon. Friend the Member for Strangford (Jim Shannon) is absolutely right: most people think that the CAP supports every aspect of farming, but of course there are many
areas that it does not, and that is why we need a new, British agricultural policy, tailor-made to the needs of farms across Great Britain and Northern Ireland. I look forward to that opportunity, which this House has helped to create through the legislation that was passed today.

Moy Park, which I mentioned, invested £27 million in its business in the last financial year to make it better, stronger, and more efficient and effective. Poultry is a safe, nutritious, affordable and enjoyable food, and is part of the UK’s staple diet. It also gives us the important luxury of food security: we know where it was raised and slaughtered, and how it gets from farm gate to plate. That food security gives us an important aspect of agri-food protection that we should cherish and encourage, and it is imperative that it be a priority in the Brexit negotiations that will follow the triggering of article 50. The purpose of this debate is to signal poultry’s importance and outline the challenges, which I want to address one by one.

The first challenge is the labour market. Of the industry’s 37,300 employees, 60% are non-UK workers. They make an obvious and valuable contribution to the United Kingdom and to the rich tapestry of the culture here. They will require certainty about their contracts. They are not employed in some low-skilled or semi-skilled industry; they are well educated, contribute to the towns and villages in which they live, and are employed in a sector to which it is difficult to attract our local, home-grown workforce. That sector will have a turnover of about 6,000 jobs a year going forward. It is important that the industry addresses that and ensures that it has access to a vibrant workforce. If the industry grows, more workers will be required, so the challenge must be met head-on. The Government must look at a favourable visa and immigration scheme that stabilises the situation and ensures that need is met in the coming years.

I will identify a number of key solutions that I hope that the Brexit Secretary and the Minister will have on their desk and will keep referring to as the United Kingdom’s Brexit negotiations go forward. I have mentioned one of them: a simplified work visa system that allows in workers who are needed in particular areas, such as the poultry sector, so that those workers’ rights are taken care of and they are provided with opportunities. A UK food and farming policy that supports the promotion of UK farming at school and a greater focus on apprenticeships will encourage UK labour into the sector. It is clear that local workers will not go into the sector; we must encourage them by educating and training them, and by providing them with the opportunity to get into the sector. A UK food and farming policy that puts British food at the centre of public food procurement is also a necessity. Our hospitals, schools and prisons should serve British food; that is essential. We must have dedicated Government support for opening third-country markets to trade, supported by a strong British food brand. Government support for British food and farming, through focusing support on infrastructure and the regeneration of rural areas, should form part of the new British farm policy in a post-Brexit world.

We need a UK food and farming policy that backs UK food security and increases the self-sufficiency of the poultry meat sector—the only sector that could scale up quickly to meet food security demands. We are not producing enough poultry; demand for poultry is increasing. That creates a viable opportunity for a country that can clearly grow and harvest poultry, and efficiently and effectively process meat that the consumer likes. That is an opportunity that we should seize.

As I wish to leave the Minister with some time to respond to my points, I have just a few brief points to make on trade access. The major component of poultry costs is the feed. Feed is a commodity that is globally traded. The EU currently controls the tariffs, but that could change after Brexit to protect EU feed compounders. How the UK responds to those changes will impact on production costs one way or another. It is important that the availability of feed remains unrestricted. That will be a huge challenge for the Ministries in the future, and it is an area on which they must focus. We cannot have feed supplies being increased so much that it makes our poultry sector unviable. I hope that that will become a significant focus in the days ahead.

We also know that the imports of some poultry meat are essential, because our demand is so high. That creates an opportunity for us to increase production. If we are to import white meat, there is an issue with regard to tariffs. We hope to continue to trade with the existing nations in the EU after we leave. If the UK decides to increase the cost of purchasing white meat from the EU, this would be an opportunity for UK producers to increase production and provide a substitute for those imports. I hope that that opportunity will be considered.

We also export a lot of our dark meat and other co-products. I hope that we are allowed to continue to do that. When the UK is outside the EU, the UK wholesale prices of chicken could increase, making it difficult for local exports to compete with the unrestricted access available to EU members within the internal market without reducing their basic costs to remain competitive.

In addition to our dark meat exports, co-products represent almost 50% of our revenue sold offshore. We rely on Europe and other key global markets to trade the balance of our co-products and we face significant competition, thus the need to have a spread of sales channels at our disposal. Every support will be of the utmost importance to ensure that we have ready access to key global markets well beyond the EU.

Asia, and particularly China, hold great potential as a trading partner, and the Government should prioritise steps to open trade with this market for poultry products. Getting into the far east is absolutely critical for us.

I wish to make two other points before I sit down. America, both north and south combined, is one of the largest poultry exporters in the world. We must be able, in a post-Brexit environment, to compete in that world, which means that that we must also engage very heavily with America, both north and south, to be able to compete in that new global world.

The issue of environment and energy is very specific to Northern Ireland. Our poultry litter disposal includes a project where we export most of our poultry litter to the Republic of Ireland for use in producing biogas in an anaerobic digester. Similarly, feathers are transferred from Northern Ireland to the Republic of Ireland for processing as there...
is no such facility in Northern Ireland. That means that we have something in common with the Republic, and an opportunity to ensure that, once again, the frictionless border that people talk about is properly addressed.

Finally, we wish to secure the best possible environment after we exit the EU. We support our Government wholeheartedly and wish them well in those negotiations. The terms that we secure should be equal to, if not better than, what we have in the EU. I know that our trade, our labour and our food security and finance will form a very important part of that negotiation.

The relative importance of the agri-food industry in Northern Ireland, which is at least twice that of the rest of the UK average by gross value added and percentage total employment, and the presence of a unique land border with the EU, emphasise the need for the region’s interests to be given due consideration and, therefore, to engage fully with the Northern Ireland representatives here who understand the industry and want to ensure that it is given fair wind.

11.14 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I congratulate the hon. Member for North Antrim (Ian Paisley) on securing this debate about the effect of UK exit from the EU on poultry production. As the hon. Member for Strangford (Jim Shannon) pointed out, the poultry industry has traditionally not been supported through the common agricultural policy. It has tended not to receive subsidies and, as a result, has tended to be more market focused, productive, innovative and efficient.

The poultry industry is a dynamic and valuable sector, contributing around £3.3 billion annually to UK GDP. It is especially important in Northern Ireland, as the hon. Member for North Antrim explained. In 2015, the value of egg production to the UK was £681 million, and the value of poultry meat production was £2.2 billion. The industry supports about 73,000 jobs in the UK. The sector is even more significant for Northern Ireland. In 2015, the value of output for the poultry and egg sector was over £300 million, and the industry provided direct employment to more than 4,800 people. Moy Park, which is based in the hon. Gentleman’s constituency, is an important contributor to the economy. It is the largest employer in Northern Ireland, a major supplier to UK supermarkets and restaurants, and the owner of a range of well-known brands. It is clear that the poultry industry is an important part of our economy. As we negotiate to exit the EU, we will work hard to get the best possible deal for the sector.

The hon. Gentleman covered the issue of trade in great detail. Our aim for the future is to get the best possible trading relationship with the EU and the rest of the world. High-quality poultry and eggs are key components of many of the UK’s most famous brands and value-added exports. We already export our world-class produce around the world, with UK exports of poultry meat totalling £250 million in 2016. Obviously, there has been a setback more recently with the outbreak of avian influenza, but we do want to build on our success. Action is under way to promote UK food and drink overseas, break down trade barriers and open up new international markets. That is set out in the joint Government and industry “UK Food and Drink - International Action Plan 2016-2020” from the Department for Environment, Food and Rural Affairs and the Department for International Trade.

On exit, we want the best possible terms of trade between the UK and the EU. That includes, as the Prime Minister said, a bold and ambitious free trade agreement that removes as many barriers to trade as possible. Leaving the EU gives us an opportunity to forge our own free trade deals around the world. We will work with the industry as we shape the priorities and interests for the UK agri-food sector, and explore global trade opportunities.

Underpinning our ability to trade will be effective disease control, which will always be a DEFRA priority. Disease outbreaks damage the livestock industry and undermine confidence. The need to protect the country from the risks to animal health associated with international trade is a key objective for the Government. The UK’s exit from the EU will not change that. In fact, we will become more vocal on the world stage through forums such as Codex Alimentarius and the OIE, which set standards in international food safety and animal welfare. The Government have a manifesto commitment to promote high standards in animal welfare in future trade deals, and we intend to promote that agenda globally.

I turn to the UK-Ireland relationship, which is obviously of great importance to the poultry sector in Northern Ireland.

Jim Shannon: Just before the Minister moves on from global trade, my hon. Friend the Member for North Antrim (Ian Paisley) mentioned Northern Ireland’s trade with China. Northern Ireland has already done massive trade deals with pigmeat, and has shown that the market can grow. The poultry sector in Northern Ireland is another potential market for growth, and that backs up what my hon. Friend said. The Chinese market, in particular, could be developed greatly.

George Eustice: The hon. Gentleman makes an important point, and I wanted to come on to some other issues on trade, one of which is China. There are opportunities in relation to what is called the fifth quarter; it never ceases to amaze me that chicken feet are apparently a delicacy in China and can attract a high value there—far higher than in the UK. However, there are real opportunities to create value from parts of the carcass for which there is no market in the UK or, indeed, Europe.

Another point I would make is that, as the hon. Member for North Antrim pointed out, there has always been quite a worldwide trade in poultry. We consume more white poultry meat than we can produce, so we traditionally import white meat, but we have also exported dark poultry meat, which is in demand in other parts of the world.

We have set up the Great British Food Unit to break down some of these barriers to get access to markets such as China. The hon. Gentleman mentioned the cost of feed and the importance of making sure that we have open markets so that we can buy competitively priced inputs. Obviously, once we have left the European Union, it will be within our gift to decide our tariffs and the access we give to feed from other parts of the world, but the vast majority of animal feeds coming into Europe already come from other parts of the world, and we
would probably not want to do anything that would disrupt that flow because it is crucial to the economics of the sector.

The final thing I would mention on trade is the US, which is a major producer and exporter. I am aware that there are concerns about the standards of production in the US. It has lower standards of animal welfare and lower standards of food safety, and it allows approaches that are not currently allowed in the European Union, such as chlorine washes. It is important, as we contemplate any future trade deal, that we do not put our industry at an unfair disadvantage, as the hon. Gentleman pointed out, and we will clearly take very earnest account of that as we consider future trade deals.

Let me turn to the UK-Ireland relationship. I begin by reiterating the reassurances provided by the Government’s White Paper on the UK-Ireland relationship. The UK and Irish economies are deeply integrated, particularly so in the case of food, farming and agriculture. The Irish Republic is the UK’s top destination for poultry meat, with £68 million of exports in 2016. Over 14,000 people regularly commute between Northern Ireland and the Irish Republic, and we recognise that for them the ability to move freely across the border is an essential part of daily life. Therefore, as the Prime Minister stated in her speech in January, we will work to deliver a practical solution that allows the maintenance of the common travel area with the Republic of Ireland, while protecting the integrity of the United Kingdom’s immigration system.

There are, of course, many specific issues related to the border between Northern Ireland and the Irish Republic, and we are working across Government and with the devolved Administrations to identify a potential solution to them. That includes looking at precedents in other agreements, and colleagues in the Government are considering the extent to which digital solutions could help to make sure that we have a frictionless border. They are keen to learn from free trade agreements in parts of the world that are not part of a customs union but that are nevertheless able to accommodate quite complex integrated supply chains, to see what lessons we can learn as we develop solutions to this particular challenge.

The hon. Gentleman mentioned labour, and I recognise that it is an important issue for the poultry industry. Last year, I spoke at the egg and poultry industry conference, where these concerns were very vocally laid at my door. I recognise that, particularly in the last 12 years or so, the sector has become quite dependent on migrant labour. The important thing is this: just because we are leaving the European Union and ending the presumption of the free movement of people, that does not mean that we are pulling up the drawbridge and ending all immigration. In fact, it is incredibly important that we put in place a new type of partnership with the European Union that enables us to control immigration, but that, crucially, allows us to enable some people to come here and work, be that on temporary work permits—that could be for some low-skilled people—or on longer-term permits, for some of the more skilled positions. The crucial thing is that it will be, in effect, in our gift to decide what those future policies would be and what arrangements we put in place. We do recognise that this is an important issue for the poultry industry, and we will take care to ensure that it and other sectors of the farming industry have access to the labour that they need.

The hon. Member for Strangford mentioned support for the industry. As we design a replacement for the common agricultural policy, we have been clear that we would like to look at the opportunities to promote higher standards of animal welfare and to see how we could incentivise that by rewarding livestock farmers who go above and beyond a regulatory minimum. That could involve some support for the poultry industry to enable it to invest in different approaches to animal husbandry that are better for welfare and might reduce our reliance on antibiotic use, which is another important challenge facing the sector.

The hon. Member for North Antrim mentioned encouraging new people to enter the industry and trying to inspire young people—the next generation—to get involved. I agree that this is important. We have an ambition as a Government to treble the number of apprenticeships. We have been looking at opportunities to use the apprenticeship levy in other parts of the supply chain, potentially enabling us to get more apprentices on to farms. There are projects such as Bright Crop that send young graduates into schools to encourage teenagers choosing their GCSEs to pick the subjects that might take them on to farms. There are projects such as Bright Crop that send young graduates into schools to encourage teenagers choosing their GCSEs to pick the subjects that might take them on to farms. There are projects such as Bright Crop that send young graduates into schools to encourage teenagers choosing their GCSEs to pick the subjects that might take them on to farms. There are projects such as Bright Crop that send young graduates into schools to encourage teenagers choosing their GCSEs to pick the subjects that might take them on to farms.

We have had a very free-ranging debate to end a rather long day here. The hon. Gentleman has made some important points. We do recognise the importance of this vital industry—a competitive industry—and we will ensure, as a Government, that as we design policies for after we leave the European Union, we get them right for our poultry sector.

Question put and agreed to.

11.27 pm

House adjourned.
Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

Low-carbon Economy

1. Deidre Brock (Edinburgh North and Leith) (SNP): What steps he is taking to support the transition to a low-carbon economy.

2. Alan Brown (Kilmarnock and Loudoun) (SNP): What steps he is taking to support the transition to a low-carbon economy.

3. Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): What steps he is taking to support the transition to a low-carbon economy.

4. The Minister for Climate Change and Industry (Mr Nick Hurd): Between 1990 and 2015 the UK's emissions have fallen by over a third while our economy has grown by over 60%. Since 2010, Government policy has contributed to a trebling of renewable electricity capacity and encouraging the take-up of low-carbon heating and ultra-low emission vehicles.

Deidre Brock: I thank the Minister for his answer. Businesses in the Scottish renewables sector predict that one in six jobs is at risk over the next six months due to changes in UK Government support. Will the Minister take action now to reverse those changes, to make sure we grasp the opportunities that our fantastic national energy resources provide?

Mr Hurd: Few countries, certainly in Europe, have done more than we have to expand renewable energy electricity capacity since 2010, and the low-carbon economy sector now employs over 220,000 people. The hon. Lady questions our continued commitment to renewable energy; I refer her to the public commitment to forthcoming auctions to support the less mature renewable technologies.

Alan Brown: A recent Chatham House report as well as the Department for Business, Energy and Industrial Strategy’s own following study on North American woody biomass both concluded that the use of these pellets for energy production in the UK is high-carbon. Given that and that a review was promised of bio-energy policies in 2012, will the Government conduct an urgent review and impose a moratorium on new subsidies for biomass?

Mr Hurd: As the hon. Gentleman knows, we have reviewed and adjusted subsidies in relation to biomass, and we keep that under regular review.

Dr Monaghan: Given that Scotland’s renewable energy will be cheaper than that produced at Hinkley by the time it is complete and that Brexit is already pushing up the build costs of these reactors in an environment where the UK Government have unilaterally decided to abandon the protection of Euratom, will you scrap the costly and inefficient nuclear obsession in favour of a low-carbon future?

Mr Speaker: The hon. Gentleman invests me with powers that I do not possess; that is very good of him.

Mr Hurd: Frankly, previous Governments neglected their responsibility to this country to invest in upgrading its power infrastructure, but this Government are grasping that challenge. As I have said, few countries have done more to make the transition to cleaner energy, with a trebling of capacity in renewable electricity, and the commitment to Hinkley offers us the potential for 7% of the country’s electricity—low-carbon based power.

Mr Andrew Turner (Isle of Wight) (Con): Colleagues in both Houses have signed an offshore blade made by MHI Vestas on the Isle of Wight, which is also arranging a schools outreach programme. Does my hon. Friend agree that this sort of initiative raises awareness of how low-carbon renewable energy technology can ensure that the UK reaches its potential for exporting its first-class engineering and advanced manufacturing worldwide?

Mr Hurd: I thank my hon. Friend for his question and wholly endorse what he says. The Secretary of State and I saw at first-hand when visiting the new Siemens offshore wind blade turbine factory in Hull just what this technology and engineering can do to inspire, in particular, young people in the area about opportunities for employment in this exciting sector.

Antoinette Sandbach (Eddisbury) (Con): Nuclear power is an important part of the transition to a low-carbon economy. Will the Minister update us on the small modular reactor competition?

Mr Hurd: I congratulate my hon. Friend on her election to the Select Committee, and she is absolutely right: energy innovation is critical to both our future ability to reduce the cost of decarbonisation and unlocking the industrial opportunities inside the low-carbon energy sector. We are reviewing our plans in relation to our energy innovation portfolio. The nuclear industry is a very important part of those plans, and I hope we will have something to say very shortly.

Kevin Foster (Torbay) (Con): The Minister will be aware that we in the south-west do not share the Scottish National party’s negative view of the Hinkley Point power station project, but will he reassure me about what work the Government will do to ensure that young people have the skills to take the jobs that will become available in these industries?
Mr Hurd: I thank my hon. Friend for correcting the impression that investment in new jobs in the nuclear industry is somehow bad news, given the commitment that 65% of the content of Hinkley should be supplied from this country. Just as important is the contribution it makes to upgrading our power infrastructure and making sure this country has the ability to access reliable low-carbon energy in the future.

Barry Gardiner (Brent North) (Lab): Last week, the Budget failed to stop the 800% rise in business rates for companies that have installed solar panels. This week, research published in the journal Nature Energy states that to achieve our targets set out in the Paris agreement we need to set out longer-term plans beyond 2050, yet the Government have now dithered for five years and still refuse to publish their own implementation plan, even up to 2030. How does the Minister propose to increase our low-carbon exports when he cannot even set out how we will achieve our medium-term climate targets?

Mr Hurd: The hon. Gentleman accuses us of dithering, but our performance on emissions during the last Parliament was one of the most successful since 1990. He talks about delaying the emissions plan but he will know that the fifth carbon budget was set only last July. This country, and this Government, have a proud record of proving that we can reduce emissions while growing our economy, and we will continue to build on that.

Mr Philip Hollobone (Kettering) (Con): With more than 30 large wind turbines in the borough, Kettering is coming close to generating more green electricity than it consumes, but what incentives are there in the business rates and planning systems to reward housing developments and business start-ups that are low carbon?

Mr Hurd: I thank my hon. Friend for pointing out how much progress we are making at the local level as well as nationally on the transition to green power. This has been facilitated by substantial investment through public subsidies and, as we look to encourage the deployment of renewable energy through competitive markets—preferably subsidy free—we are looking at what else we can do to facilitate that using the tools available to the Government.

Callum McCaig (Aberdeen South) (SNP): Our concern on Hinkley is that the Government appear to be stacking the deck in favour of nuclear power over the much cheaper renewable energy. The strike price for Hinkley was £92.50 in 2012, compared with a much lower £82.50 for onshore wind in 2015, yet in the value-for-money assessment the Government assume a £90 strike price for onshore wind. Why are they inflating the price for renewables in comparison to Hinkley?

Mr Hurd: I hope that the hon. Gentleman does not want to give the wrong impression. He knows from his experience that one of the keys to a successful energy policy is diversity of supply. That is the key to energy security, which is the primary responsibility of every Government. Ensuring diversity of supply is absolutely evident in what we as a Government are trying to do.

Callum McCaig: The Minister has completely missed the point of my question, which was about comparisons. The Government commissioned Frontier Economics to look at the whole systems impact of electricity generation models, yet despite repeated parliamentary questions and freedom of information requests the report has not been published. If the Government have nothing to hide, why are they hiding things?

Mr Hurd: I am not aware of hiding anything. I am trying to make a point about diversity of energy supply. I would make a further point about prices, in answer to the hon. Gentleman’s question. One of the most encouraging things is the progress we have made in our policy structure on driving greater competition, through contracts for difference, in order to get better prices for consumers and for the taxpayer from the public subsidies that are available. I hope that that will be evident very soon in the results of the forthcoming auctions.

UK Science

2. Andrew Bridgen (North West Leicestershire) (Con): What assessment he has made of the adequacy of levels of funding for the UK science base.

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): We are committed to making the UK the global go-to nation for scientists, innovators and tech investors. That is why, as part of the industrial strategy, we have announced an increase of £4.7 billion in public research and development funds—the biggest increase in science support for 40 years.

Andrew Bridgen: I welcome the Government’s recent £14 million investment to develop space technologies in Leicester, including the university-led national space park. What further steps could the Minister take to encourage the space industrial cluster in the Midlands?

Joseph Johnson: The space industry has an important role to play in driving growth across the UK, and the Government are working closely with the sector to make that a reality. I am pleased that the Leicester and Leicestershire local enterprise partnership is grasping this opportunity. The Satellite Applications Catapult has funded a centre of excellence in the east midlands for the past three years, focused on linking industry to local and national expertise. In addition, the UK Space Agency is supporting business incubators in Leicester, Nottingham and Loughborough to develop innovative space start-ups.

Alison McGovern (Wirral South) (Lab): Page 98 of the Government’s industrial strategy talks about the importance of long-term institutions. Many of those who work in the science-based industries in Wirral and elsewhere feel that the single market is a long-term institution that has served them well. Has the Minister asked the Prime Minister to change course and keep our country in the single market?

Joseph Johnson: The UK is a powerhouse of academic research, and our collaborations with institutions in Europe and around the world are an important part of that success. Through the industrial strategy, we want to continue to play to our great strengths as a science and research powerhouse, and we will continue to welcome
agreements to collaborate with our European partners on major science and technology programmes in years to come.

Mark Pritchard (The Wrekin) (Con): Agri-science plays a vital part in the industrial strategy, but more could be done. Is the Minister aware of the excellent work of Harper Adams University in my constituency? It exports its excellence all over the world.

Joseph Johnson: I am aware of the excellent work undertaken by that institution in my hon. Friend’s constituency. Agri-tech receives considerable support through our public investment in R and D, and will continue to do so.

Fiona Mactaggart (Slough) (Lab): The European Medicines Agency, which is based in the UK, is one reason why our pharma industry is so successful. What will happen to the agency when we crash out of the EU? What is the Science Minister doing to ensure that we have effective regulations that support our pharma industry?

Joseph Johnson: The right hon. Lady should wait until we have embarked upon the negotiations for our future relationship with European funding streams. We anticipate that we will continue to collaborate closely with our European partners, so that our scientists can develop institutions such as the one she mentions to the benefit of this country for years to come.

Nusrat Ghani (Wealden) (Con): Scientifica is a Wealden-based science and technology business that won the 2016 British Chambers of Commerce awards for business of the year and export business of the year, and I joined Scientifica members at the London Stock Exchange to open the markets yesterday. Will my hon. Friend join me in congratulating Scientifica on championing and promoting the best of British science and research?

Joseph Johnson: I am delighted to congratulate Scientifica. Companies such as that are doing brilliantly at exploiting the research that is undertaken in our science base to this country’s benefit and maximising the commercial opportunities arising from our significant public investment into R and D.

Mr Gregory Campbell (East Londonderry) (DUP): Looking beyond the two-year period to when we exit the EU, will the Minister ensure liaison with the devolved Administrations—hopefumlly all fully restored before then—so that excellent facilities such as the science centres in Belfast and Londonderry can be availed of and replicated right across the UK to ensure that we get the maximum advantage?

Joseph Johnson: Through the creation of UK research and innovation, a UK-wide global funding and research agency, we will continue to ensure that excellent science and research are supported throughout the UK in the years to come.

Oil and Gas Sector

3. Martyn Day (Linlithgow and East Falkirk) (SNP): What steps his Department is taking to support the oil and gas sector.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): The oil and gas sector is important for the UK’s economy, for energy security and for jobs. That is why the Government have established the Oil and Gas Authority as a strong, independent regulator over the past two years, providing a £2.3 billion package of support to encourage investment and exploration in the UK. In the spring Budget last week, the Chancellor announced that the Government will consider how tax could be used to assist sales of late-life oil and gas assets in the North sea, helping to keep them productive for longer.

Martyn Day: Do this Government stand by or reject comments, which are in contrast to industry voices, made by the Scottish Conservatives’ energy spokesman, Alexander Burnett MSP, that the oil and gas industry does not need any help and that “People in Aberdeen are not asking for more at the moment”?

Jesse Norman: I am unsure whether I entirely caught the hon. Gentleman’s remarks, but the Government have been clear in their support not just for the UK continental shelf and the companies on it, but for Aberdeen through the £250 million city deal.

22. [909243] Michael Fabricant (Lichfield) (Con): Is my hon. Friend aware that at this very moment crude is trading at just $48.31? Has he read the OECD report which states that and many other structural factors mean that an independent Scotland would have a worse debt to population ratio than even Greece?

Jesse Norman: I am sure that my hon. Friend will understand that I will not comment on that specific economic issue. However, I admire his awareness of the oil spot price. The Government have managed to engineer a significant fall in oil and gas supply costs on the continental shelf—[Interruption.]

Mr Speaker: Order. A cerebral Minister is at the box responding to a pertinent inquiry, and the hon. Member for Coatbridge, Chryston and Bellshill (Philip Boswell) is behaving in a mildly boorish fashion—very uncharacteristically. I am sure that this is an exceptional case.

Jesse Norman: I am not sure that anyone can recover from the attribution of being “cerebral.”

The way in which the Oil and Gas Authority has lowered costs on the UKCS is testimony to how competitive our economy can be in oil and gas, even when oil prices are falling.

UK Space Sector

5. Justin Tomlinson (North Swindon) (Con): What steps he is taking to support growth in the UK space sector.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The UK’s space sector is world leading. A quarter of the world’s telecommunication satellites are either built here or are built with key UK components. Our recently announced draft Spaceflight Bill will enable UK businesses to enter a global market worth an expected £25 billion over the next 20 years.
Our industrial strategy will ensure that we build on that and continue to be a global leader in this very important sector.

**Justin Tomlinson:** Many people think that my constituency, North Swindon, is out of this world, and they are not wrong, as we are home to the UK Space Agency. Will the Secretary of State therefore tell me how the upcoming Spaceflight Bill will enable the UK to build on its strengths in science, research and innovation?

**Greg Clark:** North Swindon has a stellar Member of Parliament, too. The space sector is one of our most important industries, and the Spaceflight Bill, in particular, will move us forwards and enable us to be in the business not only of manufacturing satellites but of launching them, which will give us further industrial opportunities from which not only Swindon but the whole UK can benefit.

**Ian C. Lucas** (Wrexham) (Lab): The collaborative approach of the UK aerospace sector is one of the lessons that the Government need to remember in the difficult years ahead. Will the Secretary of State please come to one of the most important aerospace sectors in the country in north-east Wales to see its excellent work and the potential threats to one of the most successful industries in our country?

**Greg Clark:** The hon. Gentleman is absolutely right. One of the reasons why the space and satellite sector has been so successful is the collaboration between the firms, the Government and the research institutions, which is the way forward. The Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), will visit north Wales and the facilities that the hon. Member for Wrexham (Ian C. Lucas) mentions, and I look forward to hearing all about it.

18. **[909239] Mr Steve Baker** (Wycombe) (Con): As someone who has calculated inertia matrices and Hohmann transfers, I am pleased that the Government are focusing on this area. What assessment has the Secretary of State made of the capacity of the UK’s commercial space flight sector? What steps will he take to support it?

**Greg Clark:** I am glad that my hon. Friend is not questioning me on inertia ratios and matrices. The capacity is there, but it requires planning ahead. That is why the industrial strategy mentions the need to invest in science and research and development—it is important that we do that—and the need to look forward to make sure that we have the skills in the workforce to fulfil the order books. The purpose of having a long-term industrial strategy is so that we are prepared to reap those very opportunities.

**Exiting the EU: Small Businesses**

6. **Carol Monaghan** (Glasgow North West) (SNP): What support his Department is providing to small businesses as a result of the UK’s decision to leave the EU. [909226]

9. **Martin Docherty-Hughes** (West Dunbartonshire) (SNP): What support his Department is providing to small businesses as a result of the UK’s decision to leave the EU. [909229]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy** (**Margot James**): Small businesses are vital to the economy, and we are providing additional access to finance and support to help scale up businesses so that they are able to reap the benefits of future trade with the EU and the rest of the world.

**Carol Monaghan:** I wish everybody a happy Pi Day—“pi,” the mathematical version, not “pie,” the pork version.

The Conservative party broke its 2015 manifesto commitment by failing to consult the business community on the changes to national insurance for the self-employed. Will the Government now address the ongoing uncertainty that those changes could bring to workers’ rights, such as maternity and paternity pay, sick pay, annual leave and pensions?

**Margot James:** The Government are absolutely committed, as the Prime Minister has said on several occasions, to protecting workers’ rights as we leave the European Union. And not just to protect those rights but to enhance them, if necessary. She has set up the Taylor review to examine the details.

**Mr Speaker:** I call Martin Docherty-Hughes. I am sad to note the rather uncharacteristic absence of the hon. Gentleman. We will do our best to bear up with such fortitude as we can muster.

**Kirsty Blackman** (Aberdeen North) (SNP): A number of small businesses in the oil and gas sector supply chain have been hit disproportionately by the oil price reduction. My hon. Friend the Member for Aberdeen South (Callum McCaig) and I held a meeting last week to encourage young businesses to access different methods of capital financing so that they can grow. What are the UK Government doing to encourage such businesses to access capital finance?

**Margot James:** Although support for businesses in Scotland is largely devolved, the British Business Bank funds a vast number of companies in Scotland. It has provided £415 million of finance for Scottish companies, including through start-up loans. In addition, more than 1,600 companies in Scotland benefit from the enterprise finance guarantee scheme.

**Rebecca Pow** (Taunton Deane) (Con): Small and medium-sized enterprises are the backbone of the south-west, and much effort is being put into upping productivity in the region. We in Taunton Deane welcome recent Government investment in a lot of infrastructure and the work that is being done on skills. However, to give us a real fillip, will the Minister, or perhaps someone else from the Department, agree to come to Taunton’s annual business conference on 6 June to give a boost to the things that the Government can help us with?

**Margot James:** I thank my hon. Friend for such a wonderful invitation. Although I have already been to the south-west, I am sure I can find an occasion on 6 June to do so again.

Hon. Members: Ooh!
Mr Speaker: The hon. Member for Taunton Deane (Rebecca Pow) looks as though her cup has runneth over. What a happy day for her and, indeed, for Taunton Deane—not to mention the Minister.

Mr David Nuttall (Bury North) (Con): One advantage for small businesses of the United Kingdom leaving the EU is that the House will be free to repeal unwanted EU regulations. What steps is the Minister taking to consult small businesses so that she can identify those regulations?

Margot James: I assure my hon. Friend that we consult small businesses all the time. The Department for Exiting the European Union regularly engages with the Federation of Small Businesses. We will, in due course, ask that Department to hold a roundtable for small businesses of the United Kingdom leaving the EU regulations?

Margot James: I am glad that the hon. Lady is so keen to hear my answer to this question.

We support small business growth by ensuring that small businesses can access finance and wider support. The British Business Bank is already supporting more than 54,000 smaller businesses with £3.4 billion of finance, and I am leading a taskforce to enable SMEs to accelerate their growth potential and realise their growth prospects quicker.

Mark Pawsey: I know that Rugby is a great place to run a business, but many small businesses continue to tell me that an obstacle to their expansion is still a shortage of suitable industrial premises. At a time when our authority is preparing its local plan, what discussions has my hon. Friend had with her counterparts in the Department for Communities and Local Government to ensure that adequate land is allocated for the development of business units?

Margot James: We work closely with the Department for Communities and Local Government, and I recently co-chaired a successful roundtable with my hon. Friend the Minister for Housing and Planning and providers of finance. We will be having a further meeting, and I shall obviously consider the needs of businesses in Rugby for more space.

Dame Rosie Winterton (Doncaster Central) (Lab): Small businesses in Doncaster have expressed concern to me about how they can access apprenticeship schemes. Will the Minister work with the Department for Education and draw up a regional analysis—especially for Yorkshire and the Humber—of how small businesses can access those schemes effectively, particularly in the light of the apprenticeship levy?

Margot James: We will certainly talk to businesses in the Doncaster region, as well as to those elsewhere in Yorkshire, but I am delighted to say that only 1.3% of businesses will actually pay the apprenticeship levy. For all other businesses, particularly small businesses, the Government will fund 90% of training costs following the introduction of the levy proper next month.

Ben Howlett (Bath) (Con): Last week’s announcement on business rates by my right hon. Friend the Chancellor will provide welcome relief to hundreds of independent small businesses in my constituency. Will the Minister join me in congratulating our tourist management organisation, Visit Bath, as it focuses more attention on the marketing of our independent small businesses in Bath in domestic and international markets, which will bring jobs and growth to my constituency?

Margot James: I absolutely join my hon. Friend in congratulating Visit Bath on all the trade and ideas that it brings to SMEs in his constituency.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): As chair of the all-party group on disability, I have been hearing from disabled entrepreneurs that they still have to face far too many barriers, including with regard to access to affordable loans, peer mentoring and information, even through the Government Gateway. What specific measures are the Government taking to support disabled entrepreneurs and what more can be done to address these very important issues?

Margot James: I thank the hon. Lady for her excellent question. I work closely with the Minister for Disabled People, Health and Work, who is leading huge initiatives to improve opportunities for people with disabilities. I will raise with my hon. Friend the specific question of entrepreneurs with disabilities.

Richard Fuller (Bedford) (Con): The truth is that the Government have to show a lot more love for small businesses to reinforce the truth that the Conservatives are the party for entrepreneurs. Will my hon. Friend start by eliminating the time limits on the enterprise investment scheme for small businesses, and by finding a way, after we leave the EU, of reducing the compliance with regulations for small businesses to a single check mark?

Margot James: As my hon. Friend knows, I am a great lover of small businesses and entrepreneurs, and I think that I can speak for the rest of the Government in that regard. He knows that the EU governs time limits and caps on the EIS at the moment. What happens following the Brexit negotiations will be a matter for the Treasury.

Bill Esterson (Sefton Central) (Lab): I do not think that small businesses are really feeling the love after last week’s Budget. A report by the Federation of Small Businesses entitled “37 problems and tax is one” states that the “proposed National Insurance tax grab on this group is an absolute kick in the teeth, just at a time when we need to create more entrepreneurs, not fewer.”
The Minister says that the Government consult the Federation of Small Businesses, but perhaps they might listen to it in future and do what it suggests as well.

Margot James: The small business world must feel more love from this Government than it would from Labour, were it to take our place in government.

On the hon. Gentleman’s specific question, I know that the FSB lobbied hard on a number of points, including national insurance, business rates and the quarterly reporting of tax accounts. On the latter two, it was very pleased with what the Chancellor provided. With regard to national insurance, the hon. Gentleman knows that more than 60% of people who are self-employed will actually benefit from the changes mooted by the Chancellor last week.

Energy Infrastructure

6. Chris Green (Bolton West) (Con): What steps he is taking to improve the UK’s energy infrastructure. [909228]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): Just yesterday I was a few miles away from my hon. Friend’s constituency in Carrington, opening a new combined-cycle gas turbine plant. A few weeks before that, I was in Folkestone to see the new interconnectors being built through the channel tunnel. Both schemes remind us of the Government’s commitment to the UK’s energy infrastructure, underscored by a capacity market and contracts for difference. We are also investing £320 million in new heat infrastructure, which underlines the size of our whole commitment.

Chris Green: Base load energy supply is fundamental to delivering our energy needs. Solar and wind power do not provide base load, and there is a pressure not to increase the consumption of hydrocarbons, so does my hon. Friend agree that, in the absence of energy storage capacity, future investment must go to the nuclear industry, especially small modular reactors?

Jesse Norman: As my hon. Friend knows, we are spending a great deal of time working with developers, with new investment, alongside the plans that are already being executed at Hinkley. Small modular reactors could be part of that conversation. However, there are many possible storage technologies that might come on stream over the next decade or two; undoubtedly, they will also be an important part of the picture.

Albert Owen (Ynys Môn) (Lab): The country needs 21st century systems such as smart metering. Will the Minister update the House on the progress of the roll-out, and will he have a word with the energy companies to stop them blaming the Government for smart metering being part of the hike in energy prices that is ripping off the consumer?

Jesse Norman: We are in no doubt at all about the need for energy companies to bear down on prices. As they will be aware, the costs of policy are a relatively small part of those prices.

Mrs Flick Drummond (Portsmouth South) (Con): Tidal energy gives the UK an opportunity to provide a clean and predictable source of renewable energy. It is a sector in which we have world-leading business expertise in the Solent region. Will my hon. Friend consider giving tidal a higher priority in the UK energy strategy so that we can maintain our competitive edge?

Jesse Norman: My hon. Friend will know that we are looking at tidal energy and related issues closely in the context of our consideration of the Hendry review.

John Pugh (Southport) (LD): Following on from that question, will the Minister tell the House when a final decision will be made on the Swansea tidal lagoon?

Jesse Norman: It is fair to say that we have stated that we will come to the House as soon we can and that the matter is presently under consideration.

Dr Alan Whitehead (Southampton, Test) (Lab): The Minister mentioned the capacity market. I am sure he will agree that the prime purpose of that market has been to procure new infrastructure capacity. Will he tell me how many new gas-fired power stations have been procured with the £3.4 billion that has been spent so far on the capacity market? What plans does he have to improve that number?

Jesse Norman rose—

Dr Whitehead: To be helpful, the answer is: one new power plant in King’s Lynn.

Jesse Norman: Well, I am all in favour of the self-answering question, but I remind the hon. Gentleman that the last capacity market procured energy at a cost of £7 per kilowatt, which is cheaper than any conceivable alternative.

Gig Economy

10. Jess Phillips (Birmingham, Yardley) (Lab): What assessment he has made of recent trends in the number of people employed in the gig economy. [909230]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): With no common definition of the “gig economy”, numbers vary in terms of how many workers are involved in it. We have commissioned new research, to be published this summer, which will look at the number of individuals working through digital platforms in the UK and at their experiences.

Jess Phillips: The number of freelancing moms has increased by 79% since 2008. Although I welcome the Government’s announcement that they will consult further in the summer on fairer maternity pay for self-employed moms, this was recommended 13 months ago. Why has it taken the Government so long to act on this crucial issue for these women when it took a stroke of a pen to increase their taxes?

Margot James: As I said in my previous answer on national insurance, the increase in taxes, which itself is under review, will be ruling out—[HON. MEMBERS: “Ah!”]
In terms of the maternity and paternity issues raised by the hon. Lady, I should hasten to add, the consultation will run its course this summer and she will have an answer before the end of the year.

Jack Dromey (Birmingham, Erdington) (Lab): Does the Minister begin to understand the sense of grievance on the part of the growing army of the self-employed who are reluctant conscripts to self-employment in the gig economy? They work in a twilight world of insecurity without basic rights, but they will now have to pay more in tax although there was not one measure in the Budget to put the burden on the shoulders of those truly responsible: the Ubers of this world.

Margot James: The hon. Gentleman knows that the Taylor review is currently examining all the issues that he raises. I am very concerned about the plight of some low-paid workers—they may well actually be workers, rather than self-employed. That is up to the courts and the Government to conclude later this year, but I assure him that we take the issues he raises very seriously.

Industrial Strategy: West Midlands

11. Lucy Allan (Telford) (Con): What assessment he has made of the potential effect of the Government’s industrial strategy on the west midlands. [909232]


The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Last week, we published the Midlands engine strategy. It is further demonstration that this Government are committed to investing in the Midlands, a region that has seen over 180,000 more people in employment since 2010.

Lucy Allan: I thank the Minister for his reply. Telford is seeing increasing inward investment from businesses in the automotive supply chain such as Polytec and Magmas Cosma, bringing real jobs and growth to Telford. Does he agree that Telford, with its reputation for innovation and advanced manufacturing, is set to play a key role in the Midlands engine strategy, and will he congratulate those businesses on helping to build a successful future for Telford?

Greg Clark: I will indeed. My hon. Friend’s constituency, which includes Coalbrookdale, has a good claim to be the cradle of the first industrial revolution—[Interruption.] It is perhaps a disputed claim, but I think Abraham Darby, in 1709, was fairly early. However, now, Telford is at the heart of the fourth industrial revolution, as my hon. Friend says. The T54 site is proving to be a very important location for automotive sector supply chain.

James Morris: Does the Secretary of State agree that one pivotal thing that needs to be in an industrial strategy for the west midlands is closing the skills gap that has held back the west midlands for too long, so that areas such as the black country can continue to work to become leading specialists in things such as aerospace, automotive and advanced manufacturing, which are critical to the agenda of the Conservative candidate for west midlands Mayor, Andy Street?

Greg Clark: I agree with my hon. Friend—he is absolutely right. The reputation of the black country is very strong. There is the phrase “Made in the Black Country, Sold around the World”, but to fulfil that we need good skills. Andy Street, being a person of great business experience, is the best person available to bring that business acumen to bringing more businesses to the whole of the west midlands.

Mr Speaker: Order. This is supposed to be about an industrial strategy, rather than an electoral strategy, but there you go.

Rob Marris (Wolverhampton South West) (Lab): In passing, may I say that it was the black country that was the birthplace of the industrial revolution, not Coalbrookdale? However, on transport spending, which is key to the industrial strategy for the west midlands, does the Secretary of State expect to persuade his colleague the Secretary of State for Transport to spend as much per capita in the west midlands as in London?

Greg Clark: The hon. Gentleman, who is an assiduous reader of these things, will see that, in the industrial strategy, we propose a commitment to upgrade infrastructure right across the country. I hope he will respond to that so that when we have the Budget later in the year, we will be in a position to make further such announcements.

24. [909245] Craig Tracey (North Warwickshire) (Con): What role does my right hon. Friend see the self-employed, particularly those in my constituency, playing as the industrial strategy develops?

Greg Clark: The self-employed have an important role to play. One trend that colleagues on both sides of the House will know of is that the development of supply chains is one of the key sources of innovation in many industries. Within that, start-up businesses, including those run by the self-employed, can make a big contribution to making us attractive for jobs and new businesses.

Industrial Strategy

12. Christian Matheson (City of Chester) (Lab): If he will make an assessment of the effectiveness of his sector-based approach in delivering the aims of the Government’s industrial strategy.

16. Louise Haigh (Sheffield, Heeley) (Lab): What steps the Government is taking to ensure that all sectors of the economy benefit from its industrial strategy.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): We have had great success over the years in developing key sectors, including aerospace and the automotive sector. To build on this, we have set out proposals for new business-led sector deals in the industrial strategy. The first set of deals is already under development. We are taking steps to drive growth in sectors across the economy, including with funding for science, infrastructure and technical education.

Christian Matheson: Does the Secretary of State share my concern that the implementation of an industrial strategy led by the big players will focus solely on the big players? What is he doing to ensure that the small
and medium-sized enterprises in those sectors, which are often the engine rooms, get their fair say and their fair share?

**Greg Clark:** I assure the hon. Gentleman that that is not the case. I have regular discussions with the Federation of Small Businesses, the British Chambers of Commerce and smaller businesses right across the country. The supply chain, and making our country more attractive to supply chain businesses, are absolutely foundational to our industrial success, and that involves a particular regard for small businesses.

**Louise Haigh:** Cyber-security is one of the most important sectors for this country’s growth, but the UK has the highest skills gap in cyber-security in the world. Does the Secretary of State think that the Government’s current commitment to educate 1% of our students in cyber-security by 2021 is anywhere near good enough?

**Greg Clark:** The hon. Lady makes a very good point. If we are to take advantage of the opportunities that exist, we need to upgrade our technical education. That is why in last week’s Budget the Chancellor made such a clear commitment, prominent in the industrial strategy, to transform the level of technical education, including to increase by 50% the hours of tuition that are available. Cyber-security is one of the areas in which I would expect that to be applied.

20. [909242] **Lucy Frazer** (South East Cambridgeshire) (Con): I welcome the £90 million that the Chancellor has given in the Budget for PhD places. Has the Secretary of State determined how they will be distributed and whether the academically excellent area of Cambridgeshire will benefit from this funding?

**Greg Clark:** Yes. I would expect all competitive areas to make a bid for these places. The University of Cambridge and Anglia Ruskin University in Cambridgeshire, and other institutions more broadly across the country, will be in a good position to benefit from that.

21. [909242] **Andrew Stephenson** (Pendle) (Con): The aerospace sector is of vital importance to the economy in the north-west of England. In December, I was delighted to take part in a ground-breaking ceremony at Rolls-Royce in Barnoldswick ahead of its £50 million expansion of its Pendle site. How can the Government’s industrial strategy help to further the growth of our aerospace sector?

**Greg Clark:** My hon. Friend is absolutely right. This is an important sector, as has been evident from our discussions this morning. That reflects the track record of working together that will continue and be reinforced. I think that all Members across the House will have been as delighted as I was that Boeing made its commitment to its first ever UK plant in Sheffield, showing how attractive we are to advanced manufacturing businesses such as that.

**Rebecca Long Bailey** (Salford and Eccles) (Lab): The BEIS Committee’s recent report stated that the industrial strategy Green Paper “provides little clarity on how…sectoral deals will work in practice”, and that it appears to lack “political will”, falling short of “providing a clear framework for decision making in the long term.” Is it lack of clarity or lack of political will that has led to a bespoke Brexit deal for certain manufacturers while leaving others, and indeed other industries, in a state of uncertainty?

**Greg Clark:** May I welcome the hon. Lady to her first BEIS oral questions? I see her predecessor behind her. She is, I think, my third opposite number in the eight months that I have had this job. The first was appointed in the summer, the second in the autumn, and she was appointed in the winter. I noticed this week that the birds were singing and the sun was out, so I hope that is not bad news for the hon. Lady. On her points about the industrial strategy, the sector deals that we have proposed have been widely welcomed. We have set out a number of initial deals in, for example, life sciences and the creative industries. We are already talking to other sectors such as the steel sector, and a lot of colleagues in the House will want to see that taken forward.

**Rebecca Long Bailey:** Oh, the Secretary of State is cheeky! He might want to refer to the report, because it also states that the White Paper on exiting the EU failed to meaningfully refer to an industrial strategy “and reinforces a lack of coordination between the Government’s major challenge and its principal plank of business policy.” Given that last week’s Budget failed to mention Brexit or the industrial strategy, does the Secretary of State agree with the recent Foreign Affairs Committee report that the Government have provided “no evidence” of industrial contingency planning in the event of no deal? If that is so, what is his no deal plan?

**Greg Clark:** I say gently to the hon. Lady that she will have to do a bit better than that. I have the Budget here. She says that it does not mention the industrial strategy. I can tell her that it is mentioned in the first paragraph on the first page, and throughout. Given her interest in this, she ought to read the Budget.

15. [909236] **Mary Robinson** (Cheadle) (Con): I am keen that the north-west should play its part in the Government’s industrial strategy to drive up competitiveness in our area. How can small businesses play their part in my area?

**Greg Clark:** In my hon. Friend’s area, as in every area of the country, the opportunities for the supply chain to be attracted to and to locate in this country—to supply the major manufacturers and service providers, but also to export around the world—is one of the key themes emerging from the sector deals that are being negotiated.

**Renewable Energy**

19. **Pat Glass** (North West Durham) (Lab): What recent steps his Department has taken to promote renewable energy.

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy** (Jesse Norman): Nearly £56 billion has been invested in renewable energy since 2012.
In the Budget last year, my right hon. Friend the former Chancellor of the Exchequer announced £730 million of annual support for less established renewable energy projects, including offshore wind. In the previous autumn statement, the renewable heat incentive was announced, at £1.15 billion by 2021.

**Pat Glass:** We have heard a lot about the importance of small business this morning. There are 44,000 small businesses that have their own solar microgenerators. Currently, they are exempt from business rates, but from 1 April they face an 800% increase in business rates, which is clearly damaging for them and for the solar industry. I hope that that is not deliberate, so will the Minister meet the Chancellor to see what can be done to relieve the situation?

**Jesse Norman:** Of course, the impact of rates differs from company to company as regards their solar panels. Three quarters of businesses are projected to have rates that fall next year and there is of course transitional rates relief, but the Department has long recognised the problem in some cases to which she refers, and we are in active discussion with other Departments about it.

**Mr Speaker:** I call Sir Desmond Swayne.

**Sir Desmond Swayne** (New Forest West) (Con): No. 24—or is it No. 22? [HON. MEMBERS: “No. 23!”]

**Mr Speaker:** The right hon. Gentleman was close on either side.

**Energy Supply Market: Competition**

23. **Sir Desmond Swayne** (New Forest West) (Con): If he will make it his policy to increase competition within the energy supply market; and if he will make a statement. [909244]

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** I will respond shortly to the Competition and Markets Authority report, and I will take steps to increase competition and help consumers.

**Sir Desmond Swayne:** If the Secretary of State is successful in engendering much greater competition, will we need a regulator at all?

**Greg Clark:** The aim of Government policy must be to have such vigorous competition in markets that that takes care of itself. Unfortunately, I do not think we are in that position, so I am determined to make sure that customers are treated fairly.

**Topical Questions**

T1. [909246] **David Rutley** (Macclesfield) (Con): If he will make a statement on his departmental responsibilities.

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James):** The new phase of the “Get in Go Far” campaign focuses on helping small employers understand the benefits of apprenticeships. The National Apprenticeship Service supports that by contacting small businesses that have for technical education by £500 million a year and establishing new institutes of technology. We announced in the Budget the first £270 million of projects under the industrial strategy challenge fund, including a world-leading investment in the development, design and manufacture of batteries to power the next generation of electric vehicles, and we announced a £100 million fellowship fund to attract the world’s brightest minds to come and work in the United Kingdom.

**David Rutley:** I am pleased that my right hon. Friend is planning to visit AstraZeneca’s Macclesfield site, the largest pharmaceutical site in the United Kingdom, in the near future. Will he tell the House what plans the Government have to support the life sciences further as part of its northern powerhouse strategy?

**Greg Clark:** My hon. Friend, who is a great champion of the life sciences as well as of the Cheshire economy, knows that the opportunity to negotiate a sector deal for life sciences, which is being led by Sir John Bell, will be good for the whole country, but will have particular relevance to Cheshire and Macclesfield. I am looking forward to visiting his constituency to see the facilities for myself.

**T2. [909247] Ian Austin** (Dudley North) (Lab): Will the Secretary of State join me in congratulating the greatest evening newspaper in the country, the *Express & Star*, and the brilliant work of Wolverhampton University, which have launched the green shoots scheme? The scheme has now successfully distributed £4 million of regional growth fund money, supporting 65 businesses, creating or protecting 600 jobs and, extraordinarily, generating over 11 million in private sector investment to support businesses in places such as Dudley. Contrary to what he said earlier, everybody knows that Dudley was the real birthplace of the industrial revolution.

**Greg Clark:** Having dipped my toes into controversy by talking about places with claims to be the cradle of the industrial revolution, I am certainly not going to nominate the best local newspaper in the country—suffice it to say that I gather the Foreign Secretary began his illustrious career on the *Express & Star*, although I do not know whether that shows its prescience, or whether it has recovered from that particular judgment. Local newspapers make a vital contribution to the success of local business, and I am delighted to hear about the initiative that the *Express & Star* is promoting.

**T4. [909249] Kelly Tolhurst** (Rochester and Strood) (Con): Since 2010, my constituency has seen 8,800 apprenticeships started across many sectors, and very soon I will be hosting my first apprenticeship fair, bringing together local students and businesses. Will the Minister outline what steps he is taking to encourage more small businesses to engage with apprenticeships and take on more apprentices in places such as my constituency?

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James):** The new phase of the “Get in Go Far” campaign focuses on helping small employers understand the benefits of apprenticeships. The National Apprenticeship Service supports that by contacting small businesses that have
previously engaged with the programme. That will be of great benefit to small and medium-sized enterprises in my hon. Friend’s constituency.

T3. [909248] Bridget Phillipson (Houghton and Sunderland South) (Lab): The Government’s industrial strategy Green Paper talks of the need to close the skills gap and invest in infrastructure, so can the Secretary of State explain to the House why childcare is not mentioned once?

Greg Clark: Making ourselves attractive as a country to the workforce and making sure that we are the best place to operate a business and to work is an important theme of the strategy. I look forward to the hon. Lady’s contribution to the consultation, and if that issue does not have the emphasis that she thinks it needs, we will have the opportunity to address that.

T6. [909251] Jeremy Lefroy (Stafford) (Con): I thank the Secretary of State for his support for the midlands engine. In Stafford, we build them. Last week I had the honour of opening the technical training centre at Perkins’ large engine plant in Stafford. Does he agree that that shows just how important it is for businesses to be proactive in putting together the facilities needed for apprentices and taking on more of them, as Perkins is?

Margot James: I quite agree with my hon. Friend. That demonstrates the need for all businesses, especially SMEs, to take advantage of our target of 3 million apprenticeships and the huge improvement in the quality of apprenticeships that the National Apprenticeship Service supports.

T5. [909250] Ms Angela Eagle (Wallasey) (Lab): Given that the Brexit negotiations are about to start, does the Secretary of State agree with his right hon. Friend the Prime Minister that no deal is better than a bad deal?

Greg Clark: Yes, Mr Speaker.

T9. [909254] Tom Tugendhat (Tonbridge and Malling) (Con): Will my right hon. Friend set out how he intends to shape the regulatory environment as we leave the European Union, including through such things as visa allocation, to ensure that the United Kingdom remains at the forefront of the technological revolution?

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The UK is the No. 1 place to operate a business and to work is an important theme of the strategy. I look forward to the hon. Lady’s contribution to the consultation, and if that issue does not have the emphasis that she thinks it needs, we will have the opportunity to address that.

Joseph Johnson: The Government have made it clear on many occasions, including at the highest level, that we value tremendously the important contribution that EU nationals make to the success of our higher education institutions and scientific establishments across the country, including in Scotland, and we have every intention of that continuing in the years ahead.

Tom Pursglove (Corby) (Con): When I visited the Corby steelworks on Friday, there was real enthusiasm for a sector deal for the steel industry and a real commitment to ongoing partnership working. Is my right hon. Friend the Secretary of State willing to visit the Corby works to discuss those opportunities?

Greg Clark: I would be delighted to visit Corby with my hon. Friend. He is absolutely right—my discussions with the steel industry show a real appetite for a long-term sector deal to secure the future of the steel industry.

T8. [909253] Richard Arkless (Dumfries and Galloway) (SNP): Given the decimation of Scotland’s renewables sector and the fact that Scotland has very different energy capabilities from the rest of the UK, why do the Government continue to think that a one-size-fits-all energy policy is in any way appropriate for Scotland?

Mr Alan Mak (Havant) (Con): Many of those focused on driving forward the fourth industrial revolution are in new sectors such as robotics and 3D printing. Can the Minister ensure that the industrial strategy’s sector engagement includes new, innovative challengers, not just incumbents?

Joseph Johnson: I certainly can. Through our industrial strategy, we are backing Britain’s innovators with the biggest investment in science and technology since 1979 and a new industrial strategy challenge fund to bring cutting-edge ideas out of the lab and into the wider economy.

The Minister for Climate Change and Industry (Mr Nick Hurd): I have already emphasised in earlier answers the importance of a diverse energy supply, which is at the root of energy security. There is no question about this Government’s commitment to ongoing investment in renewables.

Mr Alan Mak: Given the decimation of Scotland’s renewables sector and the fact that Scotland has very different energy capabilities from the rest of the UK, why do the Government continue to think that a one-size-fits-all energy policy is in any way appropriate for Scotland?

Richard Arkless: The Government have made it clear on many occasions, including at the highest level, that we value tremendously the important contribution that EU nationals make to the success of our higher education institutions and scientific establishments across the country, including in Scotland, and we have every intention of that continuing in the years ahead.

Joseph Johnson: Yes, this country does recognise that it has been under-investing in research and development, and that is why at the autumn statement and in the Budget we have made the biggest investment in R and D for more than 40 years. Public investment in R and D helps to bring in private sector investment at the rate of about £1.36 for every £1 of public investment.

Amanda Milling (Cannock Chase) (Con): Can my right hon. Friend outline what measures are included in the midlands engine strategy to support small businesses and enterprises such as those in Cannock Chase?
**Greg Clark:** As my hon. Friend knows, in the growth deals that are part of the midlands engine there is support, through local enterprise partnerships, for small businesses—both start-ups and growing businesses.

**Mr Iain Wright** (Hartlepool) (Lab): Following npower’s 15% price hike last month, the Government pledged that “where markets are not working we are prepared to act.” E.ON raised its prices by 14% last week and SSE by 8% yesterday. How many more companies need to raise their prices before the Government actually act to stop energy customers getting fleeced?

**Margot James:** I can advise my hon. Friend that the Start Up Loans Company has already helped 44,000 small start-ups and will be on hand to support start-ups in his constituency.

**Margot James** (Washington and Sunderland West) (Lab): What plans does the Secretary of State have to encourage new innovation support for SMEs in our key foundation industries, which make materials such as glass, ceramics and steel for cars, including those needed for Nissan in my constituency? This could help to create hundreds of jobs in the supply chain that are actually made in Britain.

**Joseph Johnson:** Support for innovation has received its biggest boost since 1979 in the autumn statement and in the Budget that was just announced. The industrial strategy challenge fund has just seen the first allocation of £270 million, which will help to boost innovation in key areas across the economy.

**Mark Pawsey** (Rugby) (Con): Diesel-powered generators add to poor air quality. Will the Minister welcome the contribution of Off Grid Energy, a small, innovative business in my constituency, whose mobile hybrid units provide green energy to the construction and event sectors?

**Mr Hurd:** My hon. Friend makes an extremely good point. Through him, may I congratulate the business involved?

**David Simpson** (Upper Bann) (DUP): What positive impact will the Government’s plans to improve the energy infrastructure have on small businesses when it comes to electricity costs?

**Greg Clark:** One of the things that we have done to support the nuclear supply chain is to have a continuing commitment to nuclear power in this country, and that will benefit my hon. Friend’s constituents. Through our network of training colleges, we will make sure that we grow the nuclear skills that we need for this industry.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I thought the Minister was a touch complacent in his earlier answer on smart meters given that this will cost the taxpayer £11 billion by the end of the Parliament. What is he going to do about the fact that they do not work when a customer switches supplier?

**Jesse Norman:** The smart meter programme should be judged on its long-term effect. It will save £47 billion by the end of that decade.¹

**Rachael Maskell** (York Central) (Lab/Co-op): When will the business rate review commence and report? The sticking plasters offered last week will do little for small businesses in York.

**Margot James:** The review will report in due course and in the not-too-distant future.

**Melanie Onn** (Great Grimsby) (Lab): The digital strategy is a key component of the Government’s industrial strategy. Can the Secretary of State do better than the Department for Culture, Media and Sport and tell me which companies have committed to work in Great Grimsby as part of the digital skills partnership?

**Greg Clark:** The whole of the industrial strategy is an invitation to businesses in every sector to come forward and propose to the Government what is required to grow jobs and skills. That is the invitation to all digital companies.

**Greg Mulholland** (Leeds North West) (LD): The Pubs Code Adjudicator Paul Newby failed to declare a much more fundamental direct conflict of interest than Charlotte Hogg, yet Ministers are ignoring it. Tomorrow, tenants will protest outside his office. How long will Ministers keep failing to do their duty and not face up to this situation?

**Margot James:** The hon. Gentleman knows that the Commissioner for Public Appointments stated that the panel considered there were no conflicts of interest in this case that would preclude Mr Newby from doing his job.

**Several hon. Members rose—**

**Mr Speaker:** I am sorry to disappoint the remaining troika, but we must now move on.

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European Council

12.36 pm

The Prime Minister (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on last week’s European Council, and the next steps in preparing to trigger Article 50 and beginning the process of leaving the European Union.

The summit began by re-electing Donald Tusk as President of the European Council. I welcomed this because we have a close working relationship with President Tusk and recognise the strong contribution he has made in office. In the main business of the Council, we discussed the challenge of managing mass migration: the threats from organised crime and instability in the western Balkans; and the measures needed to boost Europe’s growth and competitiveness, which will remain important for us as we build a new relationship between the EU and a self-governing global Britain. In each case, we were able to show once again how Britain will continue to play a leading role in Europe long after we have left the European Union.

On migration, I welcomed the progress in implementing the action plan we agreed at the informal EU summit in Malta last month. This included Italy strengthening asylum processes and increasing returns, and Greece working to implement the EU-Turkey deal, where the UK is providing additional staff to support the interviewing of Iraqi, Afghan and Eritrean nationals.

At this Council, I argued that we must do more to dismantle the vile people-smuggling rings who profit from the migrants’ misery and who are subjecting many to unimaginable abuses. With co-ordinated and committed action, we can make a difference. Indeed, just last month an operation between our National Crime Agency and the Hellenic coastguard led to the arrest of 19 members of an organised immigration crime group in Greece. As I have argued before, we need a managed, controlled and truly global approach, and that is exactly what the Council agreed. We need to help to ensure that refugees claim asylum in the first safe country they reach, and help those countries to support the refugees so they do not have to make the perilous journey to Europe. We need a better overall approach to managing economic migration, one which recognises that all countries have the right to control their borders. Engaging our African partners in this global approach will be crucial, and this will be an important part of the discussions at the Somalia conference which the UK will be hosting in London in May.

Turning to the deteriorating situation in the western Balkans, I made clear my concerns about the risks it presents to the region and to our wider collective security. Organised criminals and terrorists are ready to exploit these vulnerabilities, and we are seeing increasingly brazen interference by Russia and others. In light of the alleged Montenegro coup plot, I called on the Council to do more to counter destabilising Russian disinformation campaigns and to raise the visibility of the western commitment to this region.

The UK will lead the way. The Foreign Secretary will be visiting Russia in the coming weeks, where I expect him to set out our concerns about reports of Russian interference in the affairs of the Government of Montenegro. We will provide strategic communications expertise to the EU institutions to counter disinformation campaigns in the region, and we will host the 2018 western Balkans summit. In the run-up to that summit, we will enhance our security co-operation with our western Balkans partners, including on serious and organised crime, anti-corruption and cyber-security.

More broadly, I also re-emphasised the importance that the UK places on NATO as the bedrock of our collective defence, and I urged other member states to start investing more, in line with NATO’s target, so that every country plays its full part in sharing the burden. For it is only by investing properly in our defence that we can ensure we are properly equipped to keep our people safe.

Turning to growth and competitiveness, I want us to build a new relationship with the EU, as I have said, that will give our companies the maximum freedom to trade with and operate in the European market, and allow European businesses to do the same here. So a successful and competitive European market in the future will remain in our national interest. At this Council, I called for further steps to complete the single market and the digital single market.

I also welcomed the completion of the free trade agreement between the EU and Canada and pressed for an agreement with Japan in the coming months. For these agreements—/Interruption./ Yes, just wait for it. These agreements will lay the foundation for our continuing trading relationships with these countries as we leave the EU.

At the same time, we will also seize the opportunity to forge our own new trade deals and to reach out beyond the borders of Europe to build relationships with old friends and new allies alike. This weekend, we announced a two-day conference with the largest ever Qatari trade delegation to visit the UK, building on the £5 billion of trade we already do with Qatar every year. We will also strengthen the unique and proud global relationships we have forged with the diverse and vibrant alliance of the Commonwealth, which we celebrated on Commonwealth day yesterday.

Finally, last night the Bill on article 50 successfully completed its passage through both Houses unchanged. It will now proceed to Royal Assent in the coming days, so we remain on track with the timetable I set out six months ago. I will return to this House before the end of this month to notify when I have formally triggered article 50 and begun the process through which the United Kingdom will leave the European Union. This will be a defining moment for our whole country, as we begin to forge a new relationship with Europe and a new role for ourselves in the world.

We will be a strong, self-governing global Britain with control once again over our borders and our laws. We will use this moment of opportunity to build a stronger economy and a fairer society, so that we secure both the right deal for Britain abroad and a better deal for ordinary working people at home.

The new relationship with the EU that we negotiate will work for the whole of the United Kingdom. That is why we have been working closely with the devolved Administrations, including the Scottish Government, listening to their proposals and recognising the many areas of common ground that we have, such as protecting workers’ rights and our security from crime and terrorism.
So, Mr Speaker, this is not a moment to play politics or create uncertainty and division. It is a moment to bring our country together, to honour the will of the British people and to shape for them a brighter future and a better Britain. I commend this statement to the House.

12.43 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Prime Minister for an advance copy of the statement. The passing into law of the European Union (Notification of Withdrawal) Bill marks an historic step. The triggering of article 50 later this month is a process that will shape this country’s future. There is no doubt that if the wrong decisions are made, we will pay the price for decades to come.

Now, more than ever, Britain needs an inclusive Government who listen and act accordingly. However, all the signs are that we have a complacent Government—compliant with our economy; compliant with people’s rights; compliant about the future of this country. I urge the Prime Minister to listen to the collective wisdom of this Parliament, and to give the House a full opportunity to scrutinise the article 50 deal with a meaningful final vote. The people’s representatives deserve better than “take it or leave it”. If we are to protect jobs and living standards, and if we are to protect the future prosperity of the country, the Government must secure tariff-free access to the single European market.

The Prime Minister has already made the threat to our negotiating partners to turn Britain into a deregulated tax haven. Is that what she means by “global Britain”? When the Foreign Secretary says that no deal with the EU would be “perfectly OK”, it simply is not good enough. Far from taking back control, leaving Britain to World Trade Organisation rules would mean losing control, losing jobs, and, frankly, losing out. The Prime Minister says that no deal is better than a bad deal. Let me be clear: no deal is a bad deal. Such a complacent strategy would punish business, hit jobs, and devastate public services on which people rely.

The Prime Minister says that she is seeking to secure a future free trade deal with the EU, after initial negotiations have been completed. If that is the strategy, it is essential that the Government stop being complacent and focus on securing a transitional agreement with the EU at the earliest opportunity. That would at least give the British people and businesses some short-term clarity during this period.

The Prime Minister said that she wanted to provide certainty on the issue of EU nationals as soon as possible. Why, then, have the Government voted down every Labour attempt to bring certainty to EU nationals, who make such a massive contribution to our community and our society? These people are not bargaining chips; they are mothers, fathers, wives and husbands. They are valued members of our community. The Government could and should have acted months ago. I agree with the Prime Minister that now is not the time to create uncertainty or play politics. She should tell that to the EU migrants in Britain who have no idea what their future holds because of the decisions made by her Government.

Is the Prime Minister saying that she is content for refugees to remain in camps in Libya—is that a safe country—or for Greece, Italy and Malta to shoulder the entire burden of refugees from north Africa and the middle east? While we welcome the conference on Somalia that she is proposing, we need to know what support Britain is offering to all those countries. Does the Prime Minister still believe that we have a collective responsibility on the issue of refugees?

The Prime Minister said that she had argued about tackling vile smuggling rings, and about people being subjected to unimaginable abuse. Does she not agree that her argument would be so much stronger if her Government had been prepared to accept some of the victims of that unimaginable abuse; for example, the children who should have been accepted through the Dubs amendment?

As we move towards the triggering of article 50, there is much uncertainty about Britain’s future. A responsible Government would set a positive tone with our negotiating partners, and would move to protect our economy, workers and citizens at the earliest opportunity. Instead, we have a reckless Government who are playing fast and loose with the British economy. We will fight for jobs and the economy, using every parliamentary mechanism that is available, and the Government should welcome that scrutiny.

The Prime Minister: The right hon. Gentleman mentioned a range of issues. He spoke again about the issue of EU nationals. As I have said in the House and as has been said by others from this Dispatch Box, we do want to ensure that the issue of the status of EU nationals who are living in the UK is dealt with at an early stage in the negotiations, but we also have a consideration for the UK nationals who are living in the EU. He said that the EU nationals living here are individuals who have contributed to our society. Indeed they are, but UK nationals living in EU member states are individuals who have contributed to their society and economy. I want to ensure that their status is also ensured. We hope and expect that this will be an issue that we can address at an early stage.

The right hon. Gentleman talked about the need to come forward and be very clear about the need for a transitional period. I refer him to the speech I gave in Lancaster House in January and to the White Paper that we published. The need for an implementation period so that we have a smooth and orderly Brexit process is one of the objectives that was set out in that speech and in that document.

The right hon. Gentleman talked about refugees from north Africa and the middle east. What we want to ensure is that people do not feel the need to make the often dangerous, life-threatening journey across the central Mediterranean. Many of these people—more than three quarters of the people who are doing this—are not refugees; they are economic migrants. We need to ensure that we are providing facilities and working with countries in Africa—which the EU and other countries are doing—to ensure that the circumstances are such that people do not try to make a life-threatening journey. We also need internationally to be able to make a better distinction between refugees and economic migrants, so that we can give better support to those who are refugees.

The right hon. Gentleman appeared to suggest that the UK Government are doing absolutely nothing to break the vile smuggling rings. In my statement, I quoted a recent example of the work of the National
[The Prime Minister]

Crime Agency; I might add that it was a Conservative-led Government who set up the NCA and the Organised Immigration Crime Taskforce. The Government are dealing with these issues. He talks about abuses and the movement and trafficking of people, but it is this Government who brought in the Modern Slavery Act 2015. I am very proud that it is this Government who did so.

The right hon. Gentleman referred to global Britain and what it means. I will tell him what it means. It is about a strong, self-governing Britain, a Britain that is trading around the world with old friends and new allies alike, and a Britain that is proud to take its place on the world stage.

Sir William Cash (Stone) (Con): I congratulate my right hon. Friend not only on her statement and the way in which she dispatched the Leader of the Opposition, but on the passage of the European Union (Notification of Withdrawal) Bill. Does she accept that now is the time for the UK to do all the things that she has recommended in her statement and, in addition to that, to take urgent legal advice in respect of the legal warnings that have been given by Lord Hope of Craighead to be sure that we do not have any unforeseen further attempts to undo that Bill in the courts?

The Prime Minister: I can assure my hon. Friend that, as we move ahead with this, as we have at every stage, we will take appropriate legal advice, but as he will know we do not discuss that on the Floor of the House.

Angus Robertson (Moray) (SNP): I thank the Prime Minister for advance notice of her statement. I agree with her about how valuable it was that a large part of the EU Council was given over to jobs, growth and competitiveness. That is hugely welcome for the whole of the UK. It really matters that there is economic growth across all 27 member states. The single European market matters to all of us, given it is the largest single market in the world.

The last time the Prime Minister came to the Dispatch Box following an EU Council meeting, I asked her what issues she had raised on behalf of the Scottish Government and their priorities. She could not give a single example then, so I am going to try the same question again. Given that this was the last EU Council before the invoking of article 50, can she give an example—just one, please—of a single issue that was raised on behalf of the Scottish Government and their priorities at the Council meeting? [Interruption.] Goodness, there is a lot of hubbub from the Government Benches on this issue. Perhaps they are also keen to hear from the Prime Minister on that. She did not make a single mention during her statement of what she raised on behalf of the Scottish Government. We will all wait with bated breath to hear the Prime Minister answer that question.

While the Prime Minister was in Brussels, what discussions did she have about her Brexit timetable? Can she confirm that the plan is to negotiate a deal and that, after that, there needs to be time—time for ratification and for agreement across the EU and its institutions? Will she confirm from the Dispatch Box that that is indeed her plan?

The Prime Minister has decided, for one reason or another—I cannot imagine why—to delay the invoking of article 50. Last July, we were told by the Prime Minister herself—I am sure that she remembers saying these very words—that she would not trigger article 50 until she had a “UK-wide approach”. She knows that she has no agreement with the devolved Administration, despite months of compromise suggestions from the Scottish Government. Will the UK Government, even at this very late stage, use the next days to secure a compromise UK-wide approach, or does she still plan to plough on regardless, even though she knows what the consequences of that will mean?

The Prime Minister: The right hon. Gentleman asks what issues of relevance to the Scottish Government and to the Scottish people were raised at the European Council. I can answer him—jobs, growth and competitiveness. Those are issues that matter to the Scottish people. They matter to the people of the whole of the UK. He asked whether at the Council there was a discussion of the timetable for the negotiations in respect of article 50. As I said early on in my statement, in the main business of the Council, we discussed the challenge of managing mass migration; the threats from organised crime and instability in the western Balkans; and the measures needed to boost Europe’s growth and competitiveness. This was a Council at which we focused on those issues. I was presenting the case for the UK’s concerns in relation to those issues, including jobs, which, as I have said, matter to the people of Scotland.

The right hon. Gentleman talked about the importance of access to the single market of the European Union. I simply remind him and his colleagues once again that the most important single market for Scotland is the single market of the United Kingdom.

John Redwood (Wokingham) (Con): Should not friendly democracies with decent values rush to reassure British citizens that they can stay on the continent, and is it not strongly in the economic interests of our partners to accept our generous offer of continuing with tariff-free trade on the same basis as today?

The Prime Minister: My right hon. Friend makes an important point. The issue of EU nationals and UK nationals, and the question of the trading relationship we have in the future, is not a one-sided argument; it is about the benefits for the EU as well. I very much think that that is the case in relation to trade. As I have said before, this is not about something that works just for the UK. I believe the right trading deal for the UK, the sort of free and open access that he talks about, will be good for the rest of the EU as well.

Hilary Benn (Leeds Central) (Lab): The Prime Minister has spoken many times about the importance of achieving a good deal from the negotiations that the country is about to embark upon, yet in recent days the Foreign Secretary has said that leaving with no deal would be perfectly okay, while the Secretary of State for International Trade has said that not achieving a deal would be bad. Would the Prime Minister care to adjudicate and tell the House which of those Ministers was speaking for the Government?
The Prime Minister: I am optimistic that we are going to get a good deal for the UK on trading with the EU.

Crispin Blunt (Reigate) (Con): No deal may be a bad deal for both the EU 27 and for the UK, but it is very far from the worst deal for the UK if there were no route to a future free trading arrangement with the EU. The deal is in the gift not of the Prime Minister’s Government, however hard they are trying to deliver it, or of this Parliament, but of the European Parliament and our partners. So no deal remains a real possibility. It seems that her Government and Departments are now preparing for it. Will that preparation include the opportunity for individuals and businesses to make their own dispositions for that possibility?

The Prime Minister: I was clear in the Lancaster House speech that no deal was better than a bad deal. I am optimistic that we will be able to negotiate a good deal, but my hon. Friend is absolutely right of course that there are other parties to this, and it is not just about what we say. There will be a negotiation about that trade arrangement, and I can assure him that in coming to an agreement on that arrangement I and others in Parliament—the Secretary of State for Exiting the European Union, the Secretary of State for Business, Energy and Industrial Strategy—are talking to businesses across the United Kingdom to understand the issues that are most important to them.

Emma Reynolds (Wolverhampton North East) (Lab): The Prime Minister said again just now that no deal is better than a bad deal, but what possible deal is worse than no deal, and can she describe it?

The Prime Minister: We are about to enter into a negotiation with the remaining 27 members of the European Union. As part of that, we will be negotiating a trade deal for our future relationship with the European Union. I confidently expect that we will get a good deal. [Interruption.] Somebody says “You hope” from a sedentary position. It is precisely because of the answer I gave to my right hon. Friend the Member for Wokingham (John Redwood): this is not a one-sided negotiation. It is not just about what is going to suit the UK; it is about what is right for the future relationship between the UK and the EU, and a good trade deal for the UK is a good trade deal for the EU.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I welcome the Prime Minister’s announcement that the UK is strengthening its contribution to cyber-security and countering disinformation and also the Foreign Secretary’s forthcoming visit to Russia, but with Russia spending over a billion dollars on media outlets and troll factories, is she satisfied that the EU’s East StratCom organisation, which counters fake news and misinformation from the Kremlin, is sufficiently resourced? Also, what progress was made on setting up the further centres to identify and counteract Russian propaganda that were mentioned in the pre-briefing to the Council?

The Prime Minister: My right hon. Friend raises a very important point. The UK has particular expertise and experience when it comes to the whole issue of strategic communications around these sorts of areas, and we will be making that expertise available to the EU in order to be able to enhance the work it is doing to counter the disinformation campaigns.

Andy Burnham (Leigh) (Lab): May I tell the Prime Minister that it is not just in Scotland where there is a fear that the right wing of her party is dictating the terms of this debate and that we have no legal deal that favours London and the south over the north? May I ask her to do no more, and to establish a Brexit committee of the regions and nations, and give places like Greater Manchester equal and fair representation in this crucial debate?

The Prime Minister: As I have repeatedly said in this House, this Government will be negotiating a deal that will be good for the whole of the United Kingdom. That is why we have been listening to businesses and others from across the whole of the UK—yes, the devolved Administrations, but also people from the regions of England and businesses from across the whole of the UK—to understand the interests and what we need to take into account as we negotiate the deal.

Mr Jacob Rees-Mogg (North East Somerset) (Con): As my right hon. Friend launches into the negotiations, I wonder if she has had time to consider the excellent House of Lords report that says we have no legal obligation to pay any money whatsoever to the European Union. Does she share my view that that is an excellent basis for beginning the negotiations?

The Prime Minister: I can assure my hon. Friend that I have noted the House of Lords report on this particular matter. As he will know, when people voted on 23 June last year they were very clear that they did not want to continue year after year paying huge sums of money into the European Union.

Tim Farron (Westmorland and Lonsdale) (LD): I thank the Prime Minister for advance sight of her statement. Given that she is interpreting the will of the people and not enacting it, history will declare that last night she demonstrated contempt for this place and for the British people. The Brexit deal is an unwritten, unknown deal, and it is a deal that will be signed off by somebody. The only question is: will it be signed off by a handful of politicians or by the whole of the people? Does she agree that it should be signed off by the whole of the people?

The Prime Minister: What the hon. Gentleman says comes a little strange from his party: I seem to remember the time when the Liberal Democrats were going around telling everybody that they were going to have an in/out referendum on membership of the EU, yet now that we have had an in/out referendum on membership of the EU they are not willing to accept the result the British people gave them. We are, and that is why we are putting it into practice. We are delivering the will of the British people.

Conor Burns (Bournemouth West) (Con): My right hon. Friend the Prime Minister has been very clear that the United Kingdom is leaving the European Union, but we are not leaving Europe. A strong and prosperous EU remains in the interests of the United Kingdom. Does my right hon. Friend agree that a strong, stable united United Kingdom is also in the interests of the EU, and will she vigorously resist anyone who uses this moment to try and destroy our precious United Kingdom?
**The Prime Minister:** I absolutely agree with my hon. Friend. As he has said, and as I have said before, a strong remaining EU of 27 will be in the best interests of the UK. We want to see this EU remaining strong, but we also want to see a strong UK playing its role as a global Britain. It is important that we keep the Union of the United Kingdom together; there is much that binds us, and I do not want to see anybody engaging in constitutional game-playing with the future of the United Kingdom.

**Alex Salmond** (Gordon) (SNP): I congratulate the Prime Minister on bringing the country together and uniting Scotland behind our First Minister. The Prime Minister was asked by my right hon. Friend the Member for Moray (Angus Robertson) about what was said last year, so let me cite the Tory Bible *The Daily Telegraph* on 15 July:

> “Theresa May has indicated that...she will not trigger the formal process for leaving the EU until there is an agreed ‘UK approach’ backed by Scotland.”

Was that misreporting by *The Daily Telegraph*, misspeaking by the Prime Minister, or is she still working on it?

**The Prime Minister:** As the right hon. Gentleman knows full well, we have been in discussions with the Scottish Government and the other devolved Administrations, recognising the issues they have raised, and recognising the concerns and the common ground between us. The right hon. Gentleman refers to the views of the Scottish people in relation to the announcement made yesterday by the Scottish First Minister; I might remind him that the evidence in Scotland is that actually the majority of the Scottish people do not want a second independence referendum.

**Mr Bernard Jenkin** (Harwich and North Essex) (Con): I commend my right hon. Friend for her very measured response to the provocation of the calling of a second independence referendum in Scotland: she is not ruling out a referendum in the future, but now is not the right time. Will she also point out that the Scotland Act 2016 reserves all the single market issues to the United Kingdom Administration being formed, and that is what all the parties should be looking for at the moment.

**Mr Mark Harper** (Forest of Dean) (Con): Is it not clear from the European negotiations that a lot of the detail will not be finalised until the end of the process, and therefore that the timetable set out yesterday by the First Minister for a premature second independence referendum is an excuse, not a reason? Should we not listen to the right hon. Member for Gordon (Alex Salmond), who referred to the last independence referendum as a “once in a generation opportunity”?

**The Prime Minister:** My right hon. Friend rightly points out that we have a timetable of up to two years for the negotiations, and it is possible that the details will not be finalised until close to the end of that period. He is also entirely right to suggest that those in Scotland who talk about having a second referendum should remember what the right hon. Member for Gordon said: it was a once in a generation vote that took place in September 2014. It seems that a generation is now less than three years.

**Ms Angela Eagle** (Wallasey) (Lab): The Prime Minister has said that no deal is better than a bad deal. We all wish her well in getting the best possible deal for the UK, but will she now publish what the effects would be of crashing out of the European Union without Trade Organisation rules, so that we can have a debate in this country about her assertion that no deal is better than a bad deal?

**The Prime Minister:** I am grateful to the hon. Lady for her support for the Government as we look ahead and try to negotiate the best possible deal for the United Kingdom. That is precisely what we will be doing.

**Antoinette Sandbach** (Eddisbury) (Con): I welcome the Prime Minister’s positive approach to establishing a new, co-operative relationship with Europe and the sensibleness of contingency planning. Will she tell us how much that contingency planning will cost?

**The Prime Minister:** It is important that contingency planning should take place, and we obviously have to look at a variety of scenarios. A lot of work is being done by the Department for Exiting the European Union and will be done by other Departments as well. It is important that that work is done properly so the Government can have the best possible information on which to negotiate our relationship for the future.
Chris Leslie (Nottingham East) (Lab/Co-op): After lecturing the other European leaders on how they should complete the single market, did the Prime Minister remember that she had already thrown in the towel on Britain’s membership of the single market? Will she admit what an error it was for her to give the Scottish First Minister exactly the excuse she was looking for for an opportunistic second referendum?

The Prime Minister: First of all, no lecturing took place. There was a view around the table—I encouraged it, and others contributed—that it was important for the European Union to continue to complete the single market. The hon. Gentleman talks about the single market, but actually there is work yet to be done. It is also important for the EU to continue to work on trade arrangements with other areas. The reason that I ask the EU leaders to do that is that it will be good for the United Kingdom in our future relationship with the European Union. This is something that will be good for us. I have always been clear that we will trigger article 50 by the end of March, and that is exactly what we will do.

Mr Peter Bone (Wellingborough) (Con): There has been much speculation about the divorce from the European Union and about how much money would need to be paid in the process. I am afraid that I am going to disagree with my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) on this point. Since we joined the EEC in 1973, we have paid in £184 billion. That is the net contribution—the actual amount that we have paid in after taking into account any money that we got back. When people get a divorce, do they not split the net amount in two? That would mean that £92 billion should be paid back to us. Did the Prime Minister have a chance to bring that up at the summit?

The Prime Minister: I am tempted to say to my hon. Friend: “Nice try, but I don’t think that was an application for a job at the Treasury.”

Mr Speaker: The hon. Gentleman seems to be able to contain his misery.

Caroline Lucas (Brighton, Pavilion) (Green): Not everyone shares the Prime Minister’s enthusiasm for the imminent application of the EU-Canada agreement, not least because the comprehensive economic and trade agreement’s new investment court system still fails to address serious concerns about the investor-state dispute settlement process. Does she regard CETA as a blueprint for the trade deals that she thinks the Government can so easily agree, once the UK has left the EU? What reassurance can she give us about protecting key social and environmental standards and our public services if that is the case?

The Prime Minister: There is no blueprint. I have said consistently over the past seven months or so that we are not looking to adopt another country’s model for our relationship with the European Union. We will negotiate the deal that is right for the UK.

David Rutley (Macclesfield) (Con): In the EU Council, did my right hon. Friend detect any strong support for a separatist Scotland remaining in the EU, no questions asked?

The Prime Minister: I can honestly say to my hon. Friend that I did not detect any such support in the European Council.

Mr David Winnick (Walsall North) (Lab): The country is almost evenly divided about leaving the EU, so how will the Prime Minister try to resolve that? I have not known the country to be so divided since Suez in 1956.

The Prime Minister: This House chose to give a vote to the British people in the referendum on 23 June, and the people of the United Kingdom voted in that referendum. The majority voted for the UK to leave the European Union. When I talk to people who voted to leave and to those who voted to remain, the overwhelming message is that they now want the Government to get on with the job of delivering on that vote.

James Cleverly (Braintree) (Con): My right hon. Friend the Prime Minister has made it clear at the Dispatch Box and in the country that she wishes to prioritise certainty for UK nationals living in the EU 27 and for EU nationals living here in the UK, but I have it on good authority that the EU negotiators want to prioritise the so-called divorce settlement. Will she make it clear to the people with whom she is negotiating that we will not countenance British and EU citizens being used as bargaining chips in such a way?

The Prime Minister: My hon. Friend is right. We want to ensure reciprocal arrangements for EU citizens living here and for UK citizens living in the EU in terms of their future status, and I want to see that discussion taking place at an early stage in the negotiations. I recognise his point about some of the things that are being said, but I will simply say that, following my conversations with other European leaders, I believe that there is an extent of goodwill to deal with this issue at an early stage.

Alison McGovern (Wirral South) (Lab): The Prime Minister lectures nationalists on the importance of staying in unions, but all the while she is advocating leaving one. She lectures our European partners on the importance of the single market, but all the while she is hellbent on our leaving it. Does she think that this incoherence in her position might be dealt with—and make her life easier—if she thought again about our staying within the single market?

The Prime Minister: I have said this on a number of occasions in the House, and I will repeat it here today: we want to negotiate the best possible trading arrangements. My right hon. Friend the Member for Wokingham (John Redwood) has talked about a tariff-free, frictionless and seamless movement of goods and services. It is wrong to think of the single market as a binary issue, in which we are either in it or have no access to it. We want to ensure that we have good access to the single market and the best possible trade deal, which will allow frictionless and, as far as possible, tariff-free access.
Sir Julian Brazier (Canterbury) (Con): I particularly welcome my right hon. Friend’s comments on the Balkans, an area that has plunged Europe into horror several times over the past few centuries. Will she confirm that it is Britain that has insisted that we keep the mission there going, despite the opposition of several of our European partners?

The Prime Minister: My hon. Friend is absolutely right. The United Kingdom has been playing a key role in relation to the western Balkans. There was a good discussion at the European Council and clear recognition around the table of the need for us to continue to be involved in the western Balkans and of a number of steps that can be taken to ensure that we stabilise the region, which is in the interests of not only the countries in the western Balkans but the rest of us in Europe.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): In the spirit of the so-called UK-wide approach to Brexit, will the Prime Minister confirm how much notice she intends to give to the First Ministers of Wales and Scotland and to the leadership in Northern Ireland of the date upon which she intends to invoke article 50?

The Prime Minister: We will invoke article 50 by the end of March, and a number of processes will happen in advance of that invocation. As I have said, I will come to the House when we have decided to make the notification.

Kevin Foster (Torbay) (Con): Did the Prime Minister have the chance to take up with the European Commission and the Spanish Government their attitudes to the border with Gibraltar and to the separatists who claim that their countries could break away and then just rejoin the EU?

The Prime Minister: In our negotiations, the Spanish Government have been concerned and clear that it is not possible for a country to break away from a member of the European Union and immediately rejoin the European Union—the Barroso doctrine, which has been reaffirmed by the European Commission. As for Scotland, independence would not mean membership of the European Union. Scotland would remain outside the European Union.

Kate Hoey (Vauxhall) (Lab): I am sure that the Prime Minister will be pleased to know that millions of Labour supporters across the country will be delighted and will share her and my pleasure at the legal decision taken by Parliament. Did the right hon. Lady have any chance at the Council to discuss informally with EU leaders the position of British citizens in other countries? Are those leaders sticking up for our citizens there in the way we are sticking up for their citizens here?

The Prime Minister: I have had several discussions with European leaders on that point. That is why I said in response to an earlier question that there is good will on both sides about dealing with the issue and about recognising the needs not only of UK citizens living in other EU member states but of EU citizens living here in the UK. There is good will, but, as has been made clear in the past, no discussion can happen until the negotiations have been formally triggered.

Alberto Costa (South Leicestershire) (Con): I welcome the Prime Minister’s statement that politics is not a game, but those of us who have fought the SNP know that it is a game to them. Yesterday’s announcement by the First Minister is just the first of many that we will hear in the coming weeks and months. Does the Prime Minister agree that it is imperative that her Government and every Member of this House who believes in Great Britain and Northern Ireland reaffirm to our constituents outside of Scotland why it is that the United Kingdom is important to us all?

The Prime Minister: I absolutely agree with my hon. Friend. It is vital for us to continue to confirm and reaffirm the importance of the United Kingdom. He says that we should reaffirm that importance to constituents outside Scotland, but we should also reaffirm the importance of the United Kingdom to Scotland and to Scotland’s economy, which I did recently when I was in Glasgow.

Hywel Williams (Arfon) (PC): I was glad to hear the Prime Minister say that she has been working with the devolved Administrations, but I was also slightly puzzled because the “Joint Ministerial Committee on Exiting the EU is less organised than a community council”.

Those are not my words, but those of an actual participant: the Welsh Government Minister Mark Drakeford. How is she ensuring that the interests of the devolved Governments are reflected in the article 50 notification?

The Prime Minister: The Joint Ministerial Committee process has been operating for some months at various levels and has brought UK Government Ministers together with the three devolved Administrations to discuss issues that have been raised on both sides, including looking at the Welsh Government’s paper on Wales’s particular concerns, which are being taken into account.

Sir Desmond Swayne (New Forest West) (Con): The Premier of Luxembourg apparently believes that we might yet be persuaded to stay in the EU. Are there others like him? If yesterday’s emphatic proceedings did not disabuse him, will the Prime Minister do so in the nicest possible way?

The Prime Minister: I think we can be reassured that the votes that took place in this House and in the House of Lords last night and the granting of Royal Assent to the European Union (Notification of Withdrawal) Bill will send a clear message to everybody in Europe that we mean business.

Mike Gapes (Ilford South) (Lab/Co-op): The practice and experience in complex negotiations, such as in Northern Ireland, is that nothing is agreed until everything is agreed. Does the Prime Minister agree that that will be the case here? If so, and given that she said that no deal is preferable to a bad deal, how can British citizens living in EU countries or EU citizens living in the UK believe that there will be any resolution of the uncertainty?

The Prime Minister: The hon. Gentleman cites experience as the model for what will happen in our negotiations, but I do not look at these matters in that way. When we invoke article 50, we will start those negotiations, and
we have already been in discussions with other European leaders about the importance of reassuring UK citizens living in the 27 member states and EU citizens living here on their status and their future. As I have said in answer to several questions, including one from the hon. Member for Vauxhall (Kate Hoey), I believe that there is genuine good will on both sides on this issue, and that is why I want it to be an early part of the negotiations.

Oliver Dowden (Hertsmere) (Con): The Prime Minister rightly talked about the need to reassure EU nationals in this country. Does she agree that the biggest reassurance we can give is that their rights will remain completely unaltered until this House chooses to change them?

The Prime Minister: My hon. Friend makes an important point. Of course, we will still be members of the EU until we exit the EU, but it is clear that any changes to our immigration rules that need to happen will have to come before this House.

Joanna Cherry (Edinburgh South West) (SNP): The Prime Minister has said several times today that she is in discussions with the Scottish Government. She has also confirmed that she wants to trigger article 50 by the end of the month. By my calculations, she has less than two weeks to finish those discussions and to agree and announce the UK-wide approach that she promised in July last year, so when does she expect to finish her discussions with the Scottish Government and to announce the outcome?

The Prime Minister: As the hon. and learned Lady knows, when we trigger article 50 and enter negotiations, we will be negotiating as the UK Government. We have been in discussions with the Scottish Government and the other devolved Administrations, and those discussions continue. However, I have of course already set out our broad objectives for the negotiations, which included a reference to the sort of trade deal that she and her colleagues have said they want for the United Kingdom and for Scotland.

Nadhim Zahawi (Stratford-on-Avon) (Con): There were smirks and laughter from the Opposition Benches when my right hon. Friend spoke of the single market and digital. Will she remind the House that we want to continue to trade with the single market and that we inject £60 billion-worth of demand into that market? With investment from Snap, Facebook and SoftBank, this country is a powerhouse in digital.

The Prime Minister: My hon. Friend is absolutely right about this country’s important role in the market for digital services, which is why my right hon. Friend the Secretary of State for Culture, Media and Sport has set out a digital strategy. I was rather surprised by the derision from the Opposition at the suggestion that we should encourage a single market in digital services in the European Union, which we can trade with and sell into. They seem not to want us to develop that market in a way that is good for the United Kingdom.

Owen Smith (Pontypridd) (Lab): A moment ago, the Prime Minister repeated without a hint of irony or comedy that she is encouraging the European Union to complete the single market in services because that is in our national interest. Will she explain to the House and to the country how it is not in our national interest to be a part of it?

The Prime Minister: The hon. Gentleman has said in the past that he has a different view on the result of the vote and of where the Government should be going in relation to membership of the European Union.

Wes Streeting (Ilford North) (Lab): He asked about the single market.

The Prime Minister: Yes, I know that the hon. Member for Pontypridd (Owen Smith) asked about the single market, and I have answered many questions about that. My response to him is the same as my response to my hon. Friend the Member for Reigate (Crispin Blunt), which is that it is important for us to encourage the market—the market that we are going to be working with, that we are going to be trading with, that we want the best possible access to and that we want our services to be able to operate within—to be a free market with which we are able to work.

Mr David Nuttall (Bury North) (Con): I thank my right hon. Friend for her statement. As we do not pay to sell our goods and services to any other country around the world, will she confirm that we will not accept any deal that requires us to pay the European Union for access to the single market?

The Prime Minister: My hon. Friend may have been looking at the same report as my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) in relation to the sums that we pay. As I said in my response to him, the vote on 23 June 2016 was about many things. Obviously, in terms of leaving the European Union, one of the things that people were clear about is that we would not continue paying huge sums into the EU every year.

Mark Durkan (Foyle) (SDLP): Is it the Prime Minister’s intention that both the common travel area and the Good Friday agreement will be specifically named as features in the framework for future relations between the UK and the EU? Does she accept the Taoiseach’s point about the signal importance of having the consent provisions of the Good Friday agreement specifically reflected in a new UK-EU treaty to make it clear that Northern Ireland, as one part of the UK, could elect to rejoin the EU without necessitating article 49 negotiations and that the Barroso doctrine would not be an impediment?

The Prime Minister: We have been very clear about the importance of maintaining and delivering on the agreements that have been made in relation to Northern Ireland, and that issue is very clear to other member states of the European Union. Of course the common travel area existed long before either the Republic or the United Kingdom were part of the European Union, and one of the objectives I set out as we look to the future negotiations is that we will be looking to maintain the common travel area.

Ben Howlett (Bath) (Con): Following the last few months of debate, I am assured by the Prime Minister and her Government that they are striving to achieve a
zero-tariff trade deal on goods and services with the EU as they enter formal negotiations. Will she outline the potential impact on European markets of not agreeing a trade deal with the UK following its departure from the European Union?

The Prime Minister: My hon. Friend raises an important point, because all too often people act as if somehow we are just a supplicant in this relationship and that anything that is decided will have an impact only on the United Kingdom. Of course a trade deal will have an impact on companies within the remaining 27 member states, as they want to trade with and operate within the United Kingdom. That is why I am confident that, when we come to the negotiations, people will see the benefit to both sides of getting a good trade deal.

Stella Creasy (Walthamstow) (Lab/Co-op): The Prime Minister has said that, in the deal she wants with the European Union, she would like associate membership of the customs union—a membership that does not as yet exist.

On 6 February, after the last European Council, I asked the Prime Minister whether she had raised that idea with her European counterparts, and she overlooked the question—I am sure it was an oversight—so I ask her the question again. Has she raised the idea, and what was the response? Or should we take her evasiveness as meaning that there is no deal?

The Prime Minister: First, the hon. Lady is slightly misinterpreting the speech I gave at Lancaster House, in which I said that there are certain elements of the customs union that we would not wish to be part of because they prevent us from negotiating trade deals on our own, as the United Kingdom, with other countries across the world. I said that the relationship we want with the customs union is to have “as seamless and as frictionless a border as possible”. I indicated that that might be called “associate membership” or it might be something else, but we need to do that as part of the negotiations. Our relationship with the customs union will be part of the negotiations that will start when we trigger article 50.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Prime Minister’s statement. Paragraph 9 of the conclusions on security refers to the EU working together to fight terrorism. One of the biggest challenges facing Europe and the UK in the next five to 10 years, according to experts such as Peter Neumann, is terrorist fighters returning to their host countries from Syria and Iraq as Daesh is defeated. Was that discussed at European level, and is there an agreed strategy across Europe to deal with it?

The Prime Minister: That was not one of the issues that we discussed within the business of the European Council last week. However, it is an issue that I have discussed with other member states on a number of occasions in the past, and we are all well apprised of the need to ensure that we have a means of identifying those who are returning. We are working to deal in the most appropriate way with those individuals who are returning. Of course, so far as the United Kingdom is concerned, individuals will be looked at on a case-by-case basis.

Mr Chuka Umunna (Streatham) (Lab): On single market membership, in their 2015 manifesto the Prime Minister and her party made an unconditional commitment to “safeguard British interests in the Single Market.” She castigated my hon. Friends the Members for Wirral South (Alison McGovern) and for Pontypridd (Owen Smith) for raising that issue, but on 26 May 2016 she told an audience of Goldman Sachs bankers, in relation to single market membership, that “the economic arguments are clear. I think being part of a 500-million trading bloc is significant”. Why is she waving the white flag and starting these negotiations without even trying to keep our membership of the single market, with the reforms she seeks? We are the second-biggest economy in Europe and the fifth-biggest military power in the world, and she is waving the white flag before the negotiations have started.

The Prime Minister: I am doing nothing of the sort. The hon. Gentleman needs to recognise that there is a difference between access to the single market, protecting our ability to operate within the single market, and membership of the single market. Membership of the single market means accepting free movement, accepting the jurisdiction of the European Court of Justice and, effectively, remaining a member of the European Union. We have voted to leave the European Union, and that is what we will be doing.

Tom Tugendhat (Tonbridge and Malling) (Con): My right hon. Friend needs no lessons in her primary duty, which is the defence of this great realm. I welcome enormously the efforts she has made with our European partners to work together to counter the Russian threat that is sadly growing in the east. Will she please comment a little on how the threat would affect the United Kingdom should parts of our own great United Kingdom secede from the Union? What vulnerabilities would that put into our defence?

The Prime Minister: It is right that we are looking very carefully at the impact that the activity of Russia and others can have across the European Union, but it is also right that we are stronger as a United Kingdom in our collective defence and that every part of the United Kingdom benefits from being part of the UK through our collective defence and security against crime and terrorism.

Wes Streeting: Membership of the single market and the customs union gives our country barrier-free, tariff-free access to the biggest single market in the world and, through the customs union, more trade deals with other countries across the world than any other leading economy outside those institutions. Why is the Prime Minister therefore determined to pull us out? Is it because she genuinely believes it is the right thing to do, which she did not just a matter of months ago, or is it because she has been taken hostage by the right wing of her party? Once more, another Conservative Prime Minister is not only putting her party political interests before the economic interests of our country but is putting at risk the integrity of the United Kingdom.
On 23 June 2016, the majority of people in the United Kingdom voted to leave the European Union, and there are consequences of leaving the European Union. We want to negotiate a comprehensive free trade agreement with the European Union that gives us the best possible access to the single market.

The Prime Minister: On 23 June 2016, the majority of people in the United Kingdom voted to leave the European Union, and there are consequences of leaving the European Union. We want to negotiate a comprehensive free trade agreement with the European Union that gives us the best possible access to the single market.

Wes Streeting: We have the best possible access now.

The Prime Minister: We have membership of the single market because we are a member of the European Union, which involves—[Interruption.]

Mr Speaker: Order. Somebody is overexcited. The question has been asked, and the Prime Minister should not have to fight to be heard. The right hon. Lady must be heard.

The Prime Minister: Being a member involves accepting certain other requirements from the European Union, requirements that people voted not to be part of when they voted on 23 June. That is why I have consistently said that Members of this House must stop thinking that the only option is membership of the single market or nothing—it is not. There is an option of having a comprehensive free trade agreement that gives us the sort of access that we want to have.

Jason McCartney (Colne Valley) (Con): I commend the Prime Minister on her strong leadership. Latvia will host NATO’s Supreme Allied Commander Europe in meetings tomorrow. I represent a considerable Ukrainian community in Huddersfield. It is clear that there are currently real and present threats from Russian aggression throughout the whole of Europe, the Baltics and the Balkans; will the Prime Minister continue to put NATO at the forefront of our efforts to tackle the worries and concerns resulting from Russian aggression?

The Prime Minister: I absolutely assure my hon. Friend that we will continue to put NATO at the forefront of those efforts. I am pleased that the UK is able to make a specific contribution this year to NATO’s efforts in relation to the eastern border of the European Union and NATO countries with Russia. For example, we will soon see UK troops going to Estonia as a very visible sign of our commitment.

Lady Hermon (North Down) (Ind): Fears about the consequences of Brexit were undoubtedly exploited by Sinn Féin in the recent Northern Ireland Assembly election. Sinn Féin increased their first-preference votes by somewhere in the region of 58,000, which means they are just one seat behind the Democratic Unionist party in the new Assembly, as elected. I wonder—as, I am sure, does the rest of the country, and particularly those in Northern Ireland—what additional steps, including visiting Northern Ireland, the Prime Minister is going to take to turn back the tide of support for Sinn Féin.

The Prime Minister: The hon. Lady is obviously correct in the facts she sets out about the voting in the election. The focus we must all have now and in the coming couple of weeks, because there is limited time set aside in the legislation, should be on bringing the parties together to form a devolved Administration. I believe it is absolutely essential that we do everything we can to ensure that a devolved Administration are maintained in Northern Ireland.

On the impact of Brexit, we have been very clear about the relationship we want to ensure with regard to the border with the Republic of Ireland, and we continue to work with the Republic of Ireland and others to deliver on that. Nevertheless, over the next couple of weeks the focus of us all must be on bringing the parties together to ensure a devolved Administration are formed in Northern Ireland.

Matt Warman (Boston and Skegness) (Con): Previously as Home Secretary and now as Prime Minister, my right hon. Friend has paid particular attention to the scourge of modern slavery in economies such as Lincolnshire’s agricultural sector. Will she confirm that, as she negotiates our way out of the European Union, she will prioritise a collaborative approach to continuing to tackle this vile trade, and that she will take the same approach when it comes to designing a scheme for seasonal workers, who may still have to come to work in this country?

The Prime Minister: We will certainly continue to prioritise the work we do in relation to modern slavery, not only to support the victims of that vile trade but to break the criminals who make so much money out of it and stop the damage and abuse they bring to individuals. As my hon. Friend says, we have looked at the issue in particular in areas such as the agricultural sector in his part of the country, and we want to continue to co-operate on the issue as we leave the European Union. We will continue to co-operate on these sorts of issues because they are not just about membership of the European Union; we need to do something about them, whatever international organisations we are part of.

Ian Blackford (Ross, Skye and Lochaber) (SNP): The Prime Minister talks about listening to the Scottish Government, but that is of course on the back of the people of Scotland voting overwhelmingly to remain in the European Union. Given the UK Government’s intransigence, it is little surprise that the Scottish National party is proposing a motion in the Scottish Parliament to ask for a mandate for a second referendum. Will the Government allow that to take place, or will she attempt to veto the democratic wishes of the Scottish people and the Scottish Parliament?

The Prime Minister: There was a referendum in Scotland in September 2014 in which the people of Scotland voted to remain part of the United Kingdom. Sitting next to the hon. Gentleman is the right hon. Member for Gordon (Alex Salmond), who said at the time that it would be a once-in-a-generation vote.

Lucy Frazer (South East Cambridgeshire) (Con): The right hon. Member for Moray (Angus Robertson) quite rightly started his questions by emphasising the importance of jobs and the economy. Given the circumstances, with Scotland’s trade with the UK being worth £50 billion—four times less than its trade with the EU—does the Prime Minister think there is a good economic case for Scotland to remain in the UK and to ensure that together we work for the best deal with Europe?

The Prime Minister: My hon. and learned Friend is absolutely right, and the figures are very clear: the single market that is most important to Scotland is the single market with the United Kingdom. [Interruption.]
[The Prime Minister]

The right hon. Member for Gordon shouts “frictionless borders” at me; of course, Scotland has a frictionless border with the rest of the United Kingdom, which is the most important single market it is a member of.

Stephen Timms (East Ham) (Lab): In recent discussions I have taken part in, it has been clear that there is no support among any of the parties represented in the German Parliament for the UK to retain barrier-free access to the single market if we no longer operate free movement. The Prime Minister has asserted her optimism, but does she recognise that that is the reality of the starting point we are at?

The Prime Minister: The reality of the starting point we are at is that we are going to sit down with the European Commission and, obviously, representatives of the European Council and the European Parliament, to negotiate the relationship that is going to be right for the United Kingdom and right for the rest of the European Union. The discussions I have had so far indicate that there is a recognition on both sides of the negotiation of the importance of making sure that we get a very good free trade agreement.

Henry Smith (Crawley) (Con): I commend the Prime Minister on her statement. Does she agree that now is a good time to consider raising environmental and animal welfare standards as we leave the European Union? For example, we currently cannot stop the export of live animals.

The Prime Minister: The position we have taken is that, when we leave the European Union the acquis will be brought into UK law through the great repeal Bill, so that at that point everybody will know where they stand in relation to the various rules and regulations we have abided by as members of the European Union. Thereafter, of course, it will be open to this Parliament to determine the standards we require and the regulations we wish to see across a whole raft of areas, including those my hon. Friend mentions.

Kate Green (Stretford and Urmston) (Lab): The Prime Minister will know that under the Dublin rules the UK has returned more asylum seekers to other European Union countries than we have received from them. What are her intentions post-Brexit? Does she intend for us to continue to participate in that aspect of the Dublin agreement?

The Prime Minister: We will obviously look at the relationship we will have with the European Union on matters such as asylum seekers. I have broadened the discussion on this issue; it is about not only the UK’s relationship with the EU but how the whole international community deals with asylum seekers and economic migrants. I am clear that, as an international community, we should accept that individuals should claim asylum in the first safe country they reach.

Richard Drax (South Dorset) (Con): I congratulate my right hon. Friend the Prime Minister on her clarity of purpose. Does she agree that nothing is of greater importance today than the United Kingdom standing together? Those calling for a second referendum in Scotland are behaving totally irresponsibly and will potentially lead the people of Scotland over a cliff like lemmings to economic ruin.

The Prime Minister: My hon. Friend is right that as we start on the negotiations for our future relationship with the European Union, it is important for us to do so as a United Kingdom. We should come together, recognise the interests of all parts of the United Kingdom, and ensure that we get absolutely the right deal for the whole United Kingdom.

Mr David Hanson (Delyn) (Lab): Last week, the European Council agreed to speed up proposals for European travel authorisation and the sharing of information on travel. In the context of Brexit, are we planning to be part of that system? If not, what will it mean for visa fees or access to Europe for British citizens?

The Prime Minister: The European Union was indeed negotiating the arrangements for the sort of European tariff or visa system it would put in place. As a member of the EU, we were able not to be part of that arrangement, but as we look forward to the post-Brexit arrangements, one issue we will discuss in the negotiations is how we exchange border information. The right hon. Gentleman will know from his experience in previous positions he has held that it is a question not only of issues such as that, but of access to things like Schengen Information System II and Eurodac, as well as other issues. All that will be part of the negotiations.

Simon Hoare: As the third of the Dorset trio in the Chamber this afternoon, may I say that, like my right hon. Friend the Prime Minister, I am a Unionist to my fingertips? Will she and her Cabinet colleagues consider that, as we see a dwindling of EU financial contributions to capital programmes in this country, we should explore very vigorously the opportunity to present to all of our constituents the fact that, where capital projects are undertaken in all parts of the kingdom, they are funded, supported and delivered by UK taxpayers from a UK Treasury?

The Prime Minister: My hon. Friend raises an interesting point. He will be aware that the Treasury has offered reassurances on the funds that are currently received from the European Union while we are still members of the European Union and, in some cases, thereafter as well. Leaving the European Union gives us an opportunity to look at how support can best be provided by the United Kingdom Government.

Paula Sherriff (Dewsbury) (Lab): Last December, just 101 EU nurses came over to work in our NHS. That is a decrease of more than 90% from pre-referendum months. How does the Prime Minister intend to tackle that so we do not have any more hospital wards—like many in my own constituency—that are dangerously understaffed?

The Prime Minister: I recognise the contribution that nurses from the European Union have made to the NHS over the years, and that is one group of EU citizens whom we will be thinking of when we start...
those negotiations on EU citizens living here and their
demands. The Government also recognise that there are
many people here in the United Kingdom who wish to
train as nurses but who have not been able to do so
because of the cap on numbers. We have removed that
cap, which will enable more to take up those training
positions.

**Peter Grant** (Glenrothes) (SNP): Nobody knows what
the answer will be when the people of Scotland are
asked the simple question of whether they will choose
hard Brexit as part of the UK, or full partnership with
27 sovereign states in the European Union. Does the
Prime Minister agree that that question should be asked
at a time when, whatever the democratic answer from the
people, it can be seamlessly implemented, which
means that the question should be asked within the
timeframe indicated by Nicola Sturgeon yesterday?

**The Prime Minister**: First, as the hon. Gentleman will
know—I am sure that he has been present in the Chamber
in previous statements and debates on this topic—I do
not accept his terminology that what we will be negotiating
is a hard Brexit from the European Union. We shall be
negotiating a good trade deal, which will be good for all
parts of the United Kingdom, including Scotland.

**Heidi Alexander** (Lewisham East) (Lab): In the Prime
Minister’s desperation to do the UK Independence
party’s bidding, she has determined that we will be
leaving the single market as well as withdrawing from the
European Union. Will she tell me whether there will be
stand-alone legislation to repeal the European Economic
Area Act 1993, or does she intend to use the EEA as the
basis for her transitional implementation period?

**The Prime Minister**: I expected better from the hon.
Lady in terms of the description that she has given. I
say simply this: what this Government are doing is the
bidding of the British people, and the British people
alone.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): Turkey is an exceptionally important partner in Europe’s
attempts to deal with mass migration. Turkey is also an
exceptionally important partner in NATO. Given the
events of the past week, did the European Council have
any discussions about how we can ensure that there is
no rowing back on democracy in Turkey, and, at the
same time, that it remains the important partner that it
has been so far?

**The Prime Minister**: The Council recognises the
important role that Turkey plays, particularly in the
areas of migration and the EU-Turkey deal that was
negotiated some while ago, which has led to a significant
reduction in the number of people moving from Turkey,
across the Aegean, into Greece. I am very clear, as are
other European leaders, that we want to see Turkey
maintaining its democratic institutions and the rule of
law and respecting international human rights.

**Angela Smith** (Penistone and Stocksbridge) (Lab): There has been a lot of emphasis on the trade deal, but
the divorce deal is very important, too. At the heart of
any divorce deal is a fair financial settlement. What will
the Prime Minister do if there is no fair financial
settlement at the end of the article 50 period? What will
happen then to the divorce deal and our exit from the
European Union?

**The Prime Minister**: The hon. Lady will be aware
that, as we enter the negotiation, there is a wide range of
issues that we will be considering and discussing with
the European Union. I did not respond to this issue
earlier, but a number of Members have used the term
“divorce”. I prefer not to use that term with regard to the
European Union, because, often, when people get
divorced, they do not have a good relationship afterwards.
Hon. Members need to stop looking at this as simply
coming out of the European Union and see the opportunity
for building a new relationship with the European Union,
as that is what we will be doing.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): In
the jumble of words that formed the Prime Minister’s
statement—“global Britain”, “leading role in Europe”
and “not a moment to play politics or create uncertainty
and division”—she missed out the two key words of
“hypocrisy” and “irony” given her actions today. However,
my real question is this: after Brexit, what are the
Government’s plans with regard to the 1964 London
fisheries convention?

**The Prime Minister**: The 1964 London fisheries
convention is one issue which the Government are
looking at, and we will be looking at it in relation to our
future relationship with Europe as we come out of the
European Union and therefore out of the common
fisheries policy. [Interruption.]

**Mr Speaker**: Yes indeed. It is a very important matter.
I think that we will learn more about it. The hon.
Member for Kilmarnock and Loudoun (Alan Brown)
obviously knows all about it.

**Ian Murray** (Edinburgh South) (Lab): When the First
Minister announced her drive for a second divisive
Scottish independence referendum yesterday, one of
her manufactured grievances was the fact that Brexit
gives the UK Government an opportunity to muscle in
on the powers of the Scottish Parliament. Does the
Prime Minister agree that the fundamental overriding
principle of any EU repatriated powers should be that
they are transferred to the devolved Administrations?

**The Prime Minister**: I have been very clear with all
the devolved Administrations that Brexit will not involve
any powers that have currently been devolved to those
Administrations being returned to the United Kingdom
Government. As we look at the transfer of powers that
are currently in Brussels back to the United Kingdom,
we may very well see more powers being devolved to the
Administrations.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): A
total of 43% of publications from the UK’s 47 biggest
universities come from collaboration with at least one
EU firm—it is even higher in London institutions. Did
the discussions that the Prime Minister engaged in with
her European counterparts touch on any kind of safeguards
for our university sector given that level of dependency
on European industry? Furthermore, on page 75 of her
[Dr Rupa Huq]

party's manifesto, there is a commitment not only to remain in the single market, but to expand it. How is that going?

The Prime Minister: The hon. Lady might have noticed that we also promised the British people a referendum and a vote on whether to stay in the European Union. We gave them that vote, and they decided. We are now acting on the results of that vote. Although the vast majority of questions have been on Brexit this afternoon, Brexit was not formally discussed in the EU Council, as I indicated earlier. On the issue of universities, we have already given some comfort to universities in relation to research funding agreements that they enter into before we leave the European Union. If she looks at the Lancaster House speech I gave and the White Paper that came off the back of that, she will see that science and innovation was one issue that we put forward as a negotiating objective.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): The Prime Minister has welcomed the completion of the free trade agreements between the EU and Canada, and the pending free trade agreement between the EU and Japan. When it comes to the benefits of the single market and free trade, will the EU not be getting the full jammy doughnut while the UK will be left behind with nothing but an empty hole?

The Prime Minister: No. We will be negotiating free trade agreements with not just the EU, but other countries around the world. Crucially, other countries around the world are eager to work with us to negotiate free trade agreements. There are discussions with countries such as America, Australia, Mexico and India. We are already looking at the agreements that we can have as a United Kingdom outside the European Union.

Clive Efford (Eltham) (Lab): Does the Prime Minister accept that her intransigence over amendments to the European Union (Notification of Withdrawal) Bill and her pandering to the Brexit fanatics on her Back Benches, which have diminished the role and sovereignty of this Parliament over the Brexit process, have opened up the door to threatening the future integrity of the UK?

The Prime Minister: Amendments were put before this House; this House voted and took a decision. From the description that the hon. Gentleman has given, he seems to be saying that every time that this House takes a decision that he does not agree with, it is somehow a disrespect of Parliament. I have to tell him that that is not how this place works—we put our arguments and then vote on them; one side wins and the other loses.

Christian Matheson (City of Chester) (Lab): Does the Prime Minister accept that if we crash out of the European Union with a bad deal or no deal at all, it will be entirely the failing and responsibility of our chief negotiator and her team—the Prime Minister and her Ministers?

The Prime Minister: I have already said that I am optimistic that we will be able to negotiate a good deal for the United Kingdom.

Stewart Malcolm McDonald (Glasgow South) (SNP): I agree with the Prime Minister on one thing: politics is not a game. That is why I will not sit back and just hope for the best from her Government, as she seems to wish me to do. Given the way in which she has handled the compromises put forward by the Scottish Government and the situation she now finds herself in, may I offer her a moment of reflection? Is there anything she regrets about the way in which she has responded to those compromises, or does dogma still reign in Downing Street?

The Prime Minister: We have had extensive discussions with the Scottish Government and the other devolved Administrations on the issues that they have raised with the United Kingdom Government and the concerns that they wish us to take into account. As I said in my statement and yesterday, there are many areas of common ground between us and the Scottish Government. For example, we both agree on the protection of workers' rights once we have left the European Union. We have also been looking, as we will in the negotiations, at ensuring that we get a deal—an arrangement and relationship for the future—that is good for the whole United Kingdom, including Scotland.

Jim Shannon (Strangford) (DUP): I thank the Prime Minister for her statement and refer her to the Somalia conference that she mentioned. A Nigerian MP was a guest speaker at yesterday's meeting of the all-party group on Nigeria. He informed all of us present that Nigeria has become the biggest centre for illegal arms smuggling in the whole of Africa. Will the Prime Minister assure me that she will raise that issue, which affects all of Africa, when the Somalia conference is hosted in the UK in May?

The Prime Minister: I assure the hon. Gentleman that the Government will look at the issue very seriously. Obviously there are a number of concerns in respect of what he has said, and I will certainly look at the issue carefully.

Mr Speaker: I am extremely grateful to the Prime Minister and all 66 Back-Bench Members who questioned her following the Leader of the Opposition.
**Point of Order**

2.3 pm

Mrs Maria Miller (Basingstoke) (Con): On a point of order, Mr Speaker. The European Court of Justice has announced today that any employer can ban the wearing of religious symbols at work, including headscarves. This overturns important existing case law from the European Court of Human Rights. What mechanisms are open to the House to obtain a swift clarification of what this means here in the UK, particularly so soon after the Prime Minister’s clear statement in this House that what a woman wears is her choice and nobody else’s?

Mr Speaker: I am grateful to the right hon. Lady for her point of order, which she raises not only in her capacity as a constituency Member of Parliament, but with the strength of her interest and experience as Chair of the Women and Equalities Committee. I had not been familiar with the development until the right hon. Lady notified me a few moments ago, not least because I have been in the Chair attending to my duties. I imagine that the issue will be of considerable interest and concern to a great many people in all parts of the country with a variety of different views.

The short answer is that it is open to the right hon. Lady to table a question on the matter. I have certainly received no indication of an intention by a Government Minister to come to the House to make an oral statement, but the right hon. Lady has the recourse of a question. If, as seems possible, she judges the matter to be urgent, she knows the mechanism that is available to her to bring the matter to the attention of the House and to secure a ministerial response sooner rather than later.

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**Diplomatic Service (United Kingdom Wines and Sparkling Wines)**

*Motion for leave to bring in a Bill (Standing Order No. 23)*

2.5 pm

Nusrat Ghani (Wealden) (Con): I beg to move, That leave be given to bring in a Bill to require Her Majesty’s Diplomatic Service in certain circumstances to purchase wines and sparkling wines produced in the United Kingdom and to serve such wines at overseas functions and events; and for connected purposes.

The triggering of article 50 is on its way, and this could be seen as the first post-Brexit Bill. As we leave the EU, we must grasp every opportunity to find new markets for our products around the world, and to be imaginative in supporting and promoting them. British viticulture is an industry whose future is golden, much like the colour of its best known sparkling vintages. It will play an increasingly important role in our rural economic powerhouse.

For those who think that our weather and terroir cannot support vines so that we can compete with France, Italy and Spain, think again. Chalky soils, south facing slopes and warmer temperatures provide ideal conditions for producing wine and sparkling wine, and we produced 5 million bottles of English wine last year. Even Scotland, Wales and Northern Ireland, warmed by the sun, produce wine. We bottle to everyone’s taste and budget. Admittedly, our wine production is a fraction of the global total, but that means that we have market share in our sights. In fact, speaking of France, we have been beating it at its own game. At a tasting held in Paris last year, English wine not only was mistaken for champagne, but beat respected champagne houses all round. That was not just a one-off. English wine won more than 175 UK and international awards in 2016 alone.

One of the great characteristics of modern Britain is that someone who was not exactly brought up with a champagne flute in their hand—unlike several hon. Members I could mention—has the opportunity to represent and promote such a fantastic, blossoming British industry. My constituency of Wealden in East Sussex has not one or two vineyards, but well over a dozen, several of which boast international awards. I have to report that my husband is doing his single-handed best to support this local industry, judging by the contents of our fridge.

It is a hugely exciting time to be a part of the English wine industry. There are now 133 wineries and more than 500 vineyards dotted across our beautiful English countryside. Some 150 of them are open to the public, including one of our local vineyards, Downsview, which is set in an area of outstanding beauty and has far-reaching views to the South Downs in the distance. Sussex Fox & Fox Vineyards, run by the visionaries Jonica and Gerard Fox, sits either side of the hilltop village of Mayfield, among the rolling hills and woodlands of the Sussex High Weald. One would be forgiven for thinking that a photo of harvest time in Mayfield was taken in Champagne.

Set amid bluebell-strewn woods at the edge of Ashdown forest is Bluebell Vineyard Estates. Like many of our vineyards, it specialises in the production of award-winning, estate-grown English sparkling wines using the traditional
method—the same method used to create champagne. Boasting the Hindleap range, Bluebell Vineyards picked up an impressive haul of 16 medals at international wine competitions last year. Similarly, Davenport, which has vines in my constituency, has won a whopping 35 awards since its establishment. Most impressively, both winemakers received silver medals at the prestigious International Wine and Spirit Competition last year—something that would have been unheard of 20 years ago.

Last month, I celebrated the English wine industry’s success in Parliament, where top wine critic, Matthew Jukes, hosted a tasting and took the opportunity to boast about its stunning quality. It is no wonder that last year, for the first time, English wineries became official suppliers to No. 10. Chapel Down and Ridgeview are now official suppliers for Downing Street receptions, and I believe that Her Majesty the Queen serves English sparkling wine at state banquets, showing commitment to, and confidence in, our wine industry.

UK-produced wine accounts for around 1% of the wine purchased in the UK, but the sector has high aspirations and great potential. It is no longer just a few people growing vines in their back gardens. Bluebell Vineyard has more than doubled in size since opening in 2005, and now has 70 acres and 100,000 vines. Just on my doorstep, in the constituency of my hon. Friend the Member for Lewes (Maria Caulfield), is the Rathfinny wine estate. The estate was established in 2010 and has the potential to produce more than 1 million bottles of Sussex sparkling wine annually within a decade. Rathfinny could develop into one of the largest vineyards in England and even the largest in Europe.

There is a real appetite to invest in British soil, and the industry has seen significant overseas investment over recent years. Champagne houses such as Taittinger and Pommery have already invested in growing English grapes, and such ventures show no signs of stopping.

In 2015, sales of English sparkling wine hit £100 million, and overseas markets grew by one third. There is a huge appetite in the industry to continue that trend; indeed, our winemakers have pledged to produce 10 million bottles by 2020, with 25% of those for export. In a post-Brexit world, we must do all that we can to get behind industries that show the sort of potential of our wine industry. What better way to support our wine industry than by giving the world a taste and by serving UK-produced wine and sparkling wine in our 268 embassies, high commissions and consulates around the world? What could be a more appropriate setting to promote English wine than the famed ambassador’s reception?

However, the lack of consistency in embassy policies on hosting and serving British products means that we are missing opportunities to show those products off in new markets that should be fertile territory for exports, such as China, Japan, Singapore and even India, where wine consumption among the professional classes is growing exponentially. Last week, I was told that our Rome embassy asked the UK wine industry to sponsor a wine tasting for Tuscan wines. That just is not good enough. I doubt that Italy’s outposts here in London serve anything other than Italian wine.

The Bill would enable us to have a consistent top-down policy from the Foreign and Commonwealth Office to require embassies, where possible, to serve British wines and thus to promote British exports. Our embassies, high commissions and missions abroad are an extension and projection of our country’s brand. Showing support for high-quality and high-profile indigenous products such as our award-winning wines will demonstrate a confidence in our country and a belief in the opportunities ahead of us.

Britain’s largest wine producer, Chapel Down in Tenterden, Kent, has just signed a distribution deal in France, of all places. I look forward to the very best of our wines creating a splash in Paris—and in Berlin, Madrid and Rome, for that matter—and perhaps helping to oil the wheels of the Brexit negotiations to come. I commend the Bill to the House.

Question put and agreed to.

Ordered.

That Nusrat Ghani, Sir Peter Bottomley, Nick Herbert, Tim Loughton, Neil Parish, Mr. Nigel Evans, James Duddridge, Mrs Anne-Marie Trevelyan, Sir Julian Brazier, Chris Bryant, James Heappey and James Cartlidge present the Bill.

Nusrat Ghani accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 154).
for women is at its highest level since records began, people working than ever. The employment rate is strong economy and creating great careers and jobs—over for people can contribute to our country as a whole. Our society. A strong economy is at the heart of how we all have a role and a valued place at the heart of our economy. That benefits everyone, so we cannot afford to wait. Other economies have been ahead of us in developing the skills of the future, and this Government are clear that we will not fall further behind. We should recognise that globalisation and automation are changing the modern workplace. Thirty-five per cent. of our modern workplace. Thirty-five per cent. of our economy. Germany currently produces twice as many science, engineering and technology technicians. Driving these skills will power innovation and growth and, in turn, our economy. That benefits everyone, so we cannot afford to wait. Other economies have been ahead of us in developing the skills of the future, and this Government are clear that we will not fall further behind. We should recognise that globalisation and automation are changing the modern workplace. Thirty-five per cent. of our long, too many people in our country have felt cut off and to contribute to a strong, united nation. A strong economy is a vital part of that mission. A strong economy provides the careers and jobs that equip people with financial independence, protect them by providing financial security over the course of their life, and fill them with a sense of self-worth—the knowledge that we all have a role and a valued place at the heart of our society. A strong economy is at the heart of how people can contribute to our country as a whole. This Government are in the business of building a strong economy and creating great careers and jobs—over two million jobs since 2010. This year, there are more people working than ever before. The employment rate for women is at its highest level since records began, with 70% of 16 to 64-year-olds now in work. That represents more than 1 million more women in employment since 2010. Mrs Maria Miller (Basingstoke) (Con): Does my right hon. Friend agree that one of the most important things the Government can do is support women returners to work, particularly when we have record numbers of women in the workplace?
existing jobs are at a high risk of being replaced in the next 10 to 20 years, not through competition but by technology.

**George Kerevan** (East Lothian) (SNP): The Secretary of State mentions Germany’s lead in training in technical positions. Does she link that in any way with the fact that Germany consistently has a much higher level of corporation tax in order to fund that?

**Justine Greening**: Germany has its own approach to corporation tax. Ours has been steadily, and dramatically, to reduce it in order to make sure that companies can retain the profits they are making to be able to reinvest in growing their companies. The proof of the pudding is in the substantial and significant job creation that we have seen in our economy, by comparison with many other countries, over recent years. That is why we are able to put money into our public services.

As we prepare to leave the European Union, we will need to be more self-sufficient in our workforces, in our skills and in the training of our young people to set ourselves up for success. We will need new ideas, new jobs and new investment to confidently meet every challenge and grasp the opportunities ahead of us. We want a global Britain strong at home and strong abroad. It is now time for Britain to step up a gear to begin the shift up to the high-skill, high-productivity economy that we can be. This Government are ready to act.

**John Mann** (Bassetlaw) (Lab): Is it not a fact that under this Government, while the Secretary of State has been in office, we have fallen two places in the research and development international league tables, behind Slovenia and the Czech Republic?

**Justine Greening**: The autumn statement saw us provide further investment for R and D. Indeed, the national productivity fund has been set up to make sure that we can fund infrastructure, including R and D, more broadly. However, it is not just through physical infrastructure that our country will be successful—we need to invest in our people and in human capital as well. Through this Budget we are investing in human capital in skills, education and training to create a strong economy that works for everyone.

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

**Justine Greening**: If I can make a bit more progress, I will give way.

This Government are rightly focused on apprenticeships because of the huge difference that they can make to individuals, boosting a person’s lifetime earnings by 11% on average. Eighty-three per cent. of apprentices tell us that they believe it is improving their career prospects. This is already making a big difference to individuals. Last year 900,000 people were enrolled in an apprenticeship, which means that more than 3 million people have started an apprenticeship since 2010. They include apprentices such as Adam Sharp, last year’s advanced apprentice of the year, who moved 150 miles to take up a mechanical design apprenticeship in Sellafield and dreams of becoming that nuclear power plant’s chief mechanical engineer; and Becky King, who went to train at the National Physical Laboratory in London straight after college in order to develop her passion for science.

Last week I kicked off National Apprenticeships Week with Barclays in the City. I met young people on apprenticeships at Barclays who were inspiring because they were finding out just how well they could do. Apprenticeships are bringing out the underlying talent of our young people. It is cathartic for them to be able to discover their potential.

**Mims Davies** (Eastleigh) (Con): Earlier I met Nationwide representatives from my area keen to support women in getting more maths skills to lead businesses. Recently apprentices from Lloyds met the all-party women in Parliament group. One area where we really need to keep up momentum is with the maths skills that will make sure that our women can lead companies as well. The apprenticeship work at Eastleigh College is doing exactly that in building the basic skills for the gas fitters and plumbers we need—

**Madam Deputy Speaker (Natascha Engel)**: Order. We are already going to have to impose a time limit of eight minutes on Back Benchers right from the beginning. This debate is very heavily subscribed. If people are going to intervene, they must keep it very brief.

**Justine Greening**: I pay tribute to the work that my hon. friend’s local college is doing. She is absolutely right. In order to see a change in the workplace and in careers, we have to start in early education to build the pipeline to make sure that girls, and subsequently women, are going into these careers, which have traditionally often been more male dominated.

This is not just making a difference to the people who are doing apprenticeships; apprenticeships are making a difference to our country. Employers tell us that apprenticeships increase quality and increase productivity, so investing in an apprenticeship pays out for them and their business, and it is paying out for our wider economy. This is only the beginning of our apprenticeship reforms. Next month, we are introducing the apprenticeship levy, which will ensure that by 2020 over £2.5 billion is available to support apprenticeships. Contributing to the levy will mean that employers are, for the very first time, truly fully invested in apprenticeships. This keeps us on track to meet our manifesto commitment of delivering 3 million apprenticeships by 2020.

Apprenticeships will play a key role in delivering the skills that our modern economy needs to level up, but we need to do more to meet the broader challenges that our economy faces. The most successful countries do not just rely on apprenticeships—work-based routes—to get skilled professionals. They also depend on more college-based routes—on technical courses with workplace experience and training as a crucial element. So we will up our game, looking at reforming our technical education system to make it a central plank of how to sustain a growing economy. For decades, our country has neglected technical education, despite the fact that a substantial proportion—over half—of our young people who choose not to go to university take this path. We have never achieved a sustainable strategy because it has never been truly led by employers. We need a strategy that
asks businesses what a world-class technical curriculum should look like—that invests in the tools, the teaching and the skills expertise that help young people to navigate the complex web of choices on careers to find the skills and the career that is right for them.

Over many years, we have allowed the technical curriculum to emphasise quantity rather than quality. There are currently around 13,000 separate technical qualifications. In plumbing alone, a young person has the choice of 33 different courses. How on earth are they supposed to know which course is the highest quality, which one is valued by businesses, and which option is the right fit for them? This cannot be right. In recent years, we have made some important steps forward in tightening the requirements for qualifications included in school and college performance tables, but we need to go much further to ensure that technical education is high quality and meets employers’ needs. In place of complexity, this Government are following the advice of Lord Sainsbury and replacing the current system with a streamlined set of just 15 technical skills routes. Each route will be a pathway to skilled employment—from construction to digital, whether bricks and mortar or lines of code—and our standards for each route will be designed and agreed by our best businesses to make sure there is a direct flow through to the skills that our economy needs.

We know that we need investment as well as reform. At the moment, a young person working towards a technical qualification receives a programme of about 600 hours a year, but in countries with the best technical education—Germany, Denmark, the Netherlands, Norway—students train for far more hours per year. If we really are serious about becoming world-class on skills, we need to rival the commitment and investment of the world’s leading countries.

That is why my right hon. Friend the Chancellor announced last Wednesday over half a billion pounds a year of new funding for technical education. It will be used to increase the number of teaching hours for students. As the Sainsbury panel recommended, it will also fund institutions to organise a substantial, high-quality work placement for every technical education student, helping them to apply their skills in the workplace and to prepare for a successful move into employment. In total, this will mean that a student’s programme hours will increase by more than 50%, from 600 hours per year to more than 900. It is no surprise that the CBI has called this Budget a “breakthrough Budget for skills”.

The funding for extra hours will be rolled out alongside the new technical routes, beginning with the first programmes in autumn 2019. Each of the routes will lead to a new certificate, the T-level, which will be a gold standard for technical and professional excellence. The name will remind Members of another prominent qualification, and that is very deliberate. I want there to be no ambiguity whatsoever: this is the most ambitious reform of post-16 education since the introduction of A-levels 70 years ago. The investment announced by my right hon. Friend the Chancellor shows that the Government are committed to making it a success.

Graham Evans (Weaver Vale) (Con): I am very privileged to have my constituency office based at Sci-Tech Daresbury, which is all about technology, innovation and skills. Will the T-level be significantly stronger than existing technical qualifications?

Justine Greening: The qualification will be stronger on a number of fronts. First, it will have the commitment of, and its design will be led by, employers. Secondly, it will have more hours, so the student will simply have had a more comprehensive programme of education in achieving the T-level. Thirdly, its quality will be much higher, with more time spent in the classroom and, critically, more time spent on a quality work placement with an employer. Once the person finishes the T-level, they will come out of it ready to work and to begin their career with a high-quality qualification that employers truly value. That I why we feel this is such a significant step forward.

Building such a world-class technical education system will not just generate the skills and productivity that are the foundations of a strong economy; it will also spread opportunity and increase social mobility, helping to break the link between a person’s background and where they get to in life. It will be no surprise to the House that many young people from disadvantaged backgrounds are more likely to be on technical courses than their peers, yet such an education has not been at the level that they deserve or that our economy deserves.

A report by the Boston Consulting Group shows that, if employers had a more comprehensive programme of education in achieving the T-level, they will increase by more than 50%, from 600 hours per year, to more than 900. It is no surprise that the CBI has called this Budget a “breakthrough Budget for skills”. The name will remind Members of another prominent qualification, and that is very deliberate. I want there to be no ambiguity whatsoever: this is the most ambitious reform of post-16 education since the introduction of A-levels 70 years ago. The investment announced by my right hon. Friend the Chancellor shows that the Government are committed to making it a success.

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Lucy Powell rose—

Madam Deputy Speaker (Natasha Engel): I call Lucy Allan to make an intervention.

Lucy Powell: Did you call me Lucy Allan, Madam Deputy Speaker? I am very much a Powell.

Labour Members very much welcome any attempt to raise the status of technical and vocational education and the esteem in which it is held, something we began during our time in government. Does the Secretary of State agree that it is often a mix or blend of the technical and the academic—in engineering, digital opportunities, the creative industries or even health and social care—that will be important in the global world of the future, and will she assure the House that people will not be separated at the age of 16?

Justine Greening: The key to success is strengthening the technical education routes, as I have said. Having longevity in the strategy, as was done in Lord Sainsbury’s work, is absolutely critical in giving us an architecture around which we can now build a strategy and, as we see in the Budget, in what we can now invest. As the hon. Lady says, it is important to ensure that the whole education system fits together. That is why it is so important, as we create more national colleges and
institutes of technology, that we talk with further education colleges—they will be at the centre of all this—and also with universities. Universities of course already offer degrees in areas such as engineering, but they can clearly offer more applied learning and more technical education routes for many young people. As she says, we have to make sure that that fits together.

Indeed, we want to increase the quality and availability of higher-level technical education, so that technically gifted students can continue their studies beyond the age of 19. One of our challenges is that not only are the lower rungs of the technical education ladder not as high quality as on the academic route, but there are not really the higher rungs for young people to aim for and to climb successfully. The Government’s new national colleges and institutes of technology will make sure that there are world-class institutions at which to study higher level technical qualifications.

From September 2019, we will introduce maintenance loans for students studying level 4 or higher qualifications at these institutions. This will mean that for them, just as for university students, our best technical minds will not be limited by financial circumstances or place. This approach is just as much about parity between places as it is about parity between people. Nearly three quarters of young people in Barnsley follow a technical path, while less than one quarter do so in Kensington and Chelsea. By levelling up technical education—putting it on a par with academic routes, with reform, investment and focus—we can steadily erase regional inequalities and make sure that the door of opportunity for young people in all parts of the country, whatever education route they choose that fits them, is firmly kept open.

Building opportunity and a strong economy is about having good school places as well as skills. Good schools are the foundation of economic success and social mobility. This Government are resolute in our pursuit of more good school places in every part of the country, especially where they are most needed, to power higher educational attainment. That is why almost 1.8 million more children are in good or outstanding schools compared with 2010. That means, critically, that 1.8 million more young people are getting a better start in life, from which they can perhaps go on to great success through our university system? What will the proposals that she is outlining do for young people in Halewood and Knowsley, who have no option in the entire borough for doing academic A-levels and must leave the borough in order to study?

Justine Greening: Absolutely. Our current approach is not just outdated but, in places, extremely unfair. We want our schools to be able to achieve the same outcomes, but we are funding them fundamentally differently in different places. There are differences for children often for no other reason than where they are growing up. No one who wants social mobility to get better should accept that, so we have to move to a more equitable funding approach. That is what we are consulting on right now.

We have to make sure that school places are there for children as they move through the system, but this is not just about the extra school places and new schools that we need; it is also about investing in the schools and school places that we already have. My right hon. Friend the Chancellor has therefore put forward an additional £216 million to help to refurbish existing schools and make them fit for the 21st century. Of course, that is on top of our existing plans to invest more than £10 billion improving the condition of the school estate by 2021.

Maria Eagle (Garston and Halewood) (Lab): Does the right hon. Lady accept that academic A-levels are one way in which young people can ensure that they get a good start in life, from which they can perhaps go on to great success through our university system? What will the proposals that she is outlining do for young people in Halewood and Knowsley, who have no option in the entire borough for doing academic A-levels and must leave the borough in order to study?

Justine Greening: The hon. Lady raises a profound and important point. There are parts of the country where, for far too long, young people’s educational attainment has simply not been good enough. I know that the situation she highlights is part of the much broader challenge that her local community faces in seeking to raise educational attainment steadily. It is important that alongside the investment in technical education that we have set out in the Budget, we make sure through approaches such as opportunity areas that we zone in on the places that most need additional support so that we can shift outcomes there.

The Government’s focus on opportunity does not end when someone leaves full-time education. In a dynamic, modern economy we need to foster a culture of lifelong learning, in which all of us—adults from every walk of life—are passionate about continuing to upskill ourselves.

John Pugh (Southport) (LD): Before the Secretary of State moves off the issue of the fabric of schools, may I say that although the money from the Chancellor for school repairs is welcome, there is a £6.7 billion backlog of repairs to bring schools up to satisfactory condition? What does she think that backlog will be by the end of this Parliament?

Justine Greening: The investment that we have brought forward in the Budget will enable us to go further and faster on that backlog, but as I said earlier, it is also important that we plan ahead. We need to make sure that the demographic bulge of people who have been in our primary schools and are moving through to our secondary schools have school places and classrooms to go to when they need them. That is why balanced investment was announced in the Budget, not just in...
refurbishing existing schools and school places, with a particular focus on those that need it the most, but in ensuring that we have the extra good school places that our country will need in the future.

I touched briefly on why lifelong learning and the investment in it in the Budget are so important. Lifelong learning needs to become the norm in our country, and I want to ensure that people have the tools to do it. The reality is that many of us will never study again after leaving school, yet we know that in the economy of the future, re-adopting to new skills and continuing to learn will be vital. That is why we are making available up to £40 million over the next two years to fund lifetime learning trials. That will help us to ensure that we know what works, where it is needed and how we can change our country so that we have a culture in which more adults seize opportunities to upskill and take control of their lives.

As I said earlier, we have the highest level of female employment on record, which is a fantastic achievement, and the gender pay gap is at a record low of 18.1%, but there is still a gap. The Government are implacable in our commitment to close that gap to zero within a generation, and we know that some women find it hard to return to work after taking time out to care for young children. Many feel that they come back to work at a lower level or have to expect less progression in their work and pay. That is not good enough, and our economy cannot afford to miss out on talent that. Some employers are already running schemes to help women return to work, and we want to learn from those businesses and work with them to support more women to be able to do so. We also want to apply the same lessons in the public sector, together with improving people’s ability to take up lifelong learning.

I want to see people coming back to work better skilled than when they left to take a career break, rather than somehow having to struggle to get their career back on track. That is why I have announced that my Department will work with business groups.

Mr Iain Wright (Hartlepool) (Lab): On labour market participation, the Red Book shows that funding for returners will be £5 million, as opposed to £655 million for extending the free schools programme. Does the Secretary of State think that is an appropriate balance?

Justine Greening: Returnships are not widely used at the moment—in fact, they are used by just a few companies—but we know that where they have been invested in, they have made a real difference. We are at the beginning of bringing forward some pilots so that we can better understand what works and get a clearer sense of the broader strategy that we should have for the long term. That comes alongside the investment in lifelong learning, which ties into that work. Critically, we will consider how we can ensure that, as we develop those policies and ideas, they are informed by evidence. That was the reason for the investment that we announced in the Budget.

Mims Davies: On returners, will the Secretary of State also consider people who have stepped out of the workplace because of caring responsibilities? They are not necessarily youngsters, but include people who have given up a career thinking that it would be for the long term, but have found that it is for a shorter time.

Justine Greening: My hon. Friend raises an important point. We need to understand that flexible working must be able to adapt to the different lives that people lead today, not just at one point in their life but as it changes, which happens to all of us through our working lives and careers.

Of course, International Women’s Day was last week, and I thought it was a sign of how important that day has become in our calendar that the Chancellor chose to mark it by making it Budget day. We have our second woman in No. 10 Downing Street, and I am proud that both female Prime Ministers have been Conservative Prime Ministers. There is a long way still to go, but we should celebrate the important progress that has been made. Nearly 100 years after women were first given the vote, the Chancellor has set aside £5 million to celebrate that historic event.

This Budget continues the Government’s mission to spread opportunity to every part of the country. That mission rests on a strong, stable economy that provides the careers and jobs that will lead to financial independence and success for a new generation, and a sense of place and meaning in people’s lives. We cannot be complacent. There will be more challenges to come, but by investing in a world-class system of technical education, alongside schools, lifelong learning and returnships, the Government have taken a crucial step in underwriting the flow of skills that our country and our businesses need. We will level up opportunity. We will lift our country by lifting up our young people, and this breakthrough Budget on skills and schools merits the support of this House.

2.50 pm

Angela Rayner (Ashton-under-Lyne) (Lab): It is a pleasure to respond to the Secretary of State, and it is quite right that we have a day in this year’s Budget debate dedicated to education and skills. This Budget comes at a time when Britain has a deep social mobility problem that is getting worse, not better. That problem is the result of an unfair education system, a two-tier labour market, an unbalanced economy and an unaffordable housing market. That is not my accusation, but the conclusion of the Government’s own Social Mobility Commission.

The commission made a number of policy recommendations, most of which seem to have been ignored. It also made a recommendation against a policy: the Government’s proposals for new grammar schools. Sadly, that recommendation has also been ignored. Instead, the Chancellor used the Budget to announce plans to spend another £320 million on the next tranche of new free schools. The Prime Minister wrote in The Daily Telegraph that that money would provide 70,000 new places, as the Secretary of State reiterated today. That would be the equivalent of £4,571 per pupil, but the Secretary of State will know that her Department’s most recent figures showed that the cash cost of a primary free school place was £21,100 and the cash cost of creating a secondary free school place was £24,600.

That huge underfunding is coupled with a slightly curious detail hidden at the back of the Red Book: a further £715 million of capital funding for free schools in the next Parliament. Perhaps the Secretary of State can answer this maths question. If Philip gives Justine £320 million for new free school places, and each school
place costs at least £21,000, how many school places will Theresa end up with? I look forward to marking the Government’s homework later.

Justin Tomlinson (North Swindon) (Con): Will the hon. Lady join me and local parents in Swindon in congratulating the Government on providing the funding for two free schools and helping us to tackle the lack of school places after the last Labour Government reduced the number of school places in the noughties?

Angela Rayner: I will come to the hon. Gentleman’s points about the cost-efficiency of free schools later in my speech.

Either the Prime Minister has made an announcement without the Chancellor actually funding it, or they are simply disguising yet another eye-watering overspend on their staggeringly inefficient free schools programme and pretending that it is new money for new places. That would not be much of a surprise. The National Audit Office has helpfully reminded the Chancellor and the Secretary of State:

“In 2010 the Department estimated that it would cost £900 million by March 2015 to open 315 schools.”

By March 2015, the Department had spent double that initial budget and not even managed to hit its target for new schools. The NAO found that the Department had already spent around £3.4 billion on the land alone for free schools and it was on course to be Britain’s largest land purchaser, even before this Budget sank yet more money in. The NAO also showed that new places in free schools were far more expensive than those in conventional schools. Will the Minister tell the House and the British people how much money her Department will actually spend on delivering these new free schools, and will she guarantee that they will open in places where there is a clear need for spaces?

The Chancellor pledged £216 million for every other school over a three-year period, as the Secretary of State mentioned in her speech, but the NAO has found that, as the hon. Member for Southport (John Pugh) said, £6.7 billion is necessary just to return all existing school places to a satisfactory condition. The NAO also found that 85% of schools that applied to the priority schools programme were rejected in the last round, and that that investment was cheaper than the free schools programme.

Of course, we know why the Chancellor focused on free schools despite the cost—because it “will enable the creation of new selective free schools.”

It was the former Education Secretary who said that he had “had enough of experts”, but not even he tried to bring back grammar schools, let alone pretend that it was a policy for social mobility.

Chris Philp (Croydon South) (Con): Will the hon. Lady give way?

Angela Rayner: I am not giving way. Only one in every 25 pupils at a grammar school is eligible for free school meals, while one in every eight pupils at grammar schools previously attended an independent school. Even among the highest-achieving 20% of pupils, those from the most affluent backgrounds are 45% more likely to get into a grammar school than those from the most disadvantaged. Of course, the Government have suggested—again, not to this House, but in leaks to the press—that they intend to take action to change that in existing grammar schools; that has not gone down very well on the Conservative Back Benches. Given that the Government have been happy to jump the gun on the rest of their consultation, perhaps the Secretary of State could be as forthcoming to the House about those plans as she was to the press?

Chris Philp: Will the hon. Lady give way?

Angela Rayner: The Secretary of State has spent a huge amount of time speaking and I have a lot of Back Benchers who want to speak, so I am going to carry on.

The Chancellor announced one other measure in the Budget to address the issue: £5 million a year for the Government’s cash-for-cabs scheme, bussing children to grammar schools. Of course, the Chancellor forgot to mention that the Government had just cut £6 million out of the schools transport budget for every other child. Those cuts left no statutory provision for disabled 16 to 18-year-olds and others, who were forced to change school. They are paying the taxi tax so that a handful of pupils can be ferried up to 15 miles to the nearest grammar school by cab, at a cost of thousands of pounds each. Apparently, the comprehensive school bus is out, and the grammar school Uber is in. That is all to give the Government a fig leaf of social mobility. The Chancellor said:

“We are committed to that programme because we understand that choice is the key to excellence in education”.—[Official Report, 8 March 2017; Vol. 622, c. 818.]

I remind the Government that good teaching, school leadership, proper funding, the right curriculum and many other things are also key to that excellence.

It is also a rather obvious point that the Government’s proposed system is not one in which parents or pupils choose the school; instead, the schools choose the pupils. Parents are unlikely to have the choice they have been promised on childcare either. The Chancellor told the House that

“from September, working parents with three and four-year-olds will get their free childcare entitlement doubled to 30 hours a week.”—[Official Report, 8 March 2017; Vol. 622, c. 816.]

But the Secretary of State has already admitted in written answers that only a small minority of the parents receiving 15 hours will be eligible for the 30 hours. Fewer than 400,000 families will qualify, despite the Government’s promise at the last election that more than 600,000 would benefit.

The Chancellor’s plans for adult education are no closer to reality. He announced £40 million to trial new ways of delivering adult education and lifelong learning, but his own Government have cut the adult skills budget by 32% since 2010, taking out more than £1 billion. I know that the Chancellor’s aides have referred to their neighbours in No. 10 as “economically illiterate”, but surely even they realise the absurdity of trying to reverse the damage caused by £1 billion of cuts with £40 million in trials.

It is a similar story with the £500 million a year to deliver the new T-levels. That amount of new investment would be welcome—after all, further education budgets...
were cut by 7% in the last Parliament, and the Institute for Fiscal Studies found that between 2010 and 2020, funding per pupil in further education could be cut by 13%—but the briefing lines do not quite match the Budget lines. The Red Book shows that in 2018-19 the new funding will be only £60 million. Even by 2021-22, the new funding will not have risen to the promised half a billion a year.

**John Mann:** Is my hon. Friend aware of the consequences for the productivity gap? Since the Tories came in, and even under the coalition Government, the productivity gap between this country and the rest of the world has worsened in every single year. It is now at its worst since 1991.

**Angela Rayner:** Absolutely, and I thank my hon. Friend for his intervention.

**Several hon. Members rose—**

**Angela Rayner:** I make that one-all from each side of the House, so I will move on.

That brings us back to the context for the other announcements, which is the funding crisis facing our schools. We learn from *The Times* today that the Government are now in retreat over the new funding formula. Perhaps the Secretary of State will use this opportunity to clarify the Government’s position to the House, rather than to Conservative Members in private meetings. They might say that they are still consulting and have not seen the results, but we still have not yet had the results of the “Schools that work for everyone” consultation and that did not stop the Prime Minister using the Budget to announce most of the forthcoming schools Bill to the press.

It was the same story with the initial plans for new grammar schools, the new school improvement funding, the new capital spending on free schools and every other education announcement made in last week’s Budget. Announcements are being made behind closed doors or behind the paywalls of the Prime Minister’s favoured newspapers, rather than to this House. It is no wonder they would rather avoid our scrutiny, because the Budget failed to mention the pledge the Conservative party made in its manifesto:

“Under a future Conservative government, the amount of money following your child into school will be protected...there will be a real-terms increase in the schools budget in the next Parliament.”

The last Prime Minister made it clear what he meant: “the amount of money following your child into school will not be cut. In Treasury-speak, flat cash per pupil.”

The Conservatives were clear: not a single pupil in the country would see their funding cut by a single penny. That was their promise. Yet the National Audit Office has found that there will be an 8% drop in per pupil funding this Parliament, leaving schools forced to make cuts worth £3 billion. Up and down the country, we hear that schools are seeing less money in their budgets. They are being forced to cut hours or subjects, or to ask parents to chip in. Yesterday, on Europe, the Government were clear that their justification was the mandate of the British people, yet they had a mandate when it came to funding our schools too. I know the Tories would like to airbrush the last Prime Minister from history, but will they tell us today whether that pledge still stands, and, if so, when the Treasury intends to meet it?

The Government had much to say about education in this Budget, but when it came to meeting their own promises they were selective with their facts and comprehensive in their failure. They must do better.

3.4 pm

**Chris Philp** (Croydon South) (Con): It gives me some pleasure to follow the shadow Secretary of State for Education, the hon. Member for Ashton-under-Lyne (Angela Rayner).

Let me start by welcoming the Budget and congratulating the Secretary of State on her speech. I am delighted that she has managed to secure protection for the schools budget, which will continue to grow in real terms, and I congratulate the Chief Secretary on facilitating that. I also welcome the national funding formula, which the Secretary of State for Education has been working on with a forensic attention to detail. It will ensure that funding follows need, rather than being an accident of postcode. Croydon, the borough I represent, has historically been underfunded. We will now see that injustice corrected, so I congratulate the Secretary of State on her work and welcome the national funding formula.

The shadow Secretary of State for Education gave us a blizzard of statistics. I wanted to intervene on her to say that the most important statistic on education is this: 1.8 million more children are being educated in good or outstanding schools than in 2010. The hon. Lady can quote all the sums she likes, but the fact remains that the Government are delivering a better education for more children than ever before. Conservative Members are proud of our Government, and our free school and academy programme, and I am delighted that the Government are expanding it.

I was pleased that the Chief Secretary, the Chancellor and the Education Secretary found an additional £1.035 billion over the next five years—up until 2021-22—to fund further new schools. New schools give choice to parents and, as the statistics I quoted show, they encourage higher standards. Some of those schools might well be new grammar schools, which the hon. Member for Ashton-under-Lyne criticised. I should declare to the House that I am a grammar school boy. I know from my experience in a south London grammar school that such schools help children from ordinary backgrounds to fulfil their potential. All the studies show that children from ordinary backgrounds who go to grammar schools do a great deal better than those who go to other schools.

**Sir Edward Leigh** (Gainsborough) (Con): I am sorry that the hon. Member for Ashton-under-Lyne (Angela Rayner) did not give way to the hon. Friend, although she did give way to the hon. Member for Bassetlaw (John Mann), many of whose constituents attend a grammar school in my constituency. The question she failed to answer was this: why, since the abolition of grammar schools, has there been a catastrophic fall in social mobility in the most deprived areas?

**Chris Philp:** My hon. Friend raises an important point. Grammar schools can and should be an engine for social mobility. The Government’s White Paper and the Education Secretary’s proposals include new measures to ensure that grammar schools take on a higher proportion of pupils on free school meals. There is a very successful
case study: the King Edward VI grammar schools in Birmingham. They have taken a number of steps, including offering outreach to local primary schools in deprived areas, free tuition for their tests, and bursaries to fund school uniforms and travel. Together, they have increased the grammar schools’ free school meal intake from 3%, which is a very low figure, to about 22%. This shows that the Education Secretary’s proposals work in practice, and I strongly welcome them.

George Kerevan: In the interests of joined-up thinking, may I ask what proportion of qualifications the new grammar schools will give over to T-levels?

Chris Philp: It is up to individual schools to set their own individual curriculums, and to offer their pupils and parents a choice. That is what localism means. Of course grammar schools, by their nature, tend to be more academic in flavour—[Hon. Members: “Ah!”] Well, that is what a grammar school is—that should hardly be a surprise to Opposition Members. Other kinds of school have a more technical specialisation. Diversity of provision, choice for parents and variety in our system are signs of success, which Conservative Members celebrate.

Let me turn to other measures in the Budget, starting with business rates. Like several hon. Members, I was concerned about the effect of the business rates revaluation on smaller businesses. The town of Purley in my constituency was particularly affected by some quite significant upward revaluations. In that context, it is welcome that the Budget announced £435 million of discretionary relief to help small businesses in towns such as Purley. I would suggest, particularly to the Chief Secretary to the Treasury, that it might be worth reconsidering the profiling of that £435 million over time. The lion’s share of that money comes in the first two years: £180 million in 2017-18; and £85 million in 2018-19. That is welcome, but the transitional relief—the upward caps on rates increases—for small businesses is 5% in 2017-18, and 7.5% in 2018-19, so most small businesses will not feel too much of an effect in the next two years. It is really in three, four and five years’ time that increases will be most powerfully felt. Would the Chief Secretary consider changing the profile of that money so that, instead of being front-loaded in the next one or two years, it can be back-loaded into years 3 and 4, when the effects of the business rate increases will be felt most heavily? The total amount of money would remain the same—£435 million—but the profile would be shifted over time better to match the effect of the business rates increases.

I offer a second thought on transitional relief for the future, which again relates to the upward and downward caps. Bills have been sent out for 2017-18. There is an upward cap of 5% for small businesses, so no small business will face an increase of more than 5%, and there is a downward cap for large businesses of 4.1%, so no large business gets a decrease greater than 4.1%. I accept that that is now fixed.

Looking into the future, however, and particularly to 2019-20 and 2020-21, I wonder whether the autumn statement might consider fine tuning those upward and downward caps so that the largest businesses, such as the big four supermarkets, have a lower or even a zero further downward cap, so that they get no further decreases beyond next year’s decrease. That could fund a more generous upward cap for the smallest businesses, meaning that the upward cap of 10% to 15% in 2019-20 and 2020-21 could be reduced. This approach would be fiscally neutral. It would not affect arrangements for the coming financial year, which I accept are fully set in stone, but it would help small businesses in three or four years’ time, including businesses in Purley. I have noticed that the cumulative upward cap for such small businesses over the five-year period accumulates to 64.2%, which represents quite a high cap. If we could find a way of softening the blow, it would be very welcome indeed.

The Chancellor’s Budget statement also touched on pollution, particularly due to diesel cars. My constituency, like all London constituencies, is profoundly affected by this problem. The Chancellor mentioned that a plan would be delivered over the summer, in response to the European Union court case, and that fiscal measures would be introduced in the autumn Budget.

I have significant reservations about Sadiq Khan’s proposed diesel scrappage scheme, which would cost £515 million over two years in London. The cost of such a scheme nationally would be £3.5 billion a year over two years, which would be unaffordable and would, in fact, simply cause one set of diesel cars to be replaced by another. I do not support the diesel scrappage scheme proposed by the Mayor of London, but one fiscal measure that the Government might consider, bearing in mind that diesel cars now burn 10 million tonnes of fuel a year—a three times increase over the last 10 years—is introducing a significantly increased registration tax for new diesel cars. I am talking about cars, not vans and lorries, because I accept that including them would have an impact on business. That approach would help to deter people from buying new diesel cars, which now make up about half of all new car purchases in this country. Such a measure would have no retrospective effect on people who have already bought a diesel car, but it would encourage people to switch away from diesel cars, which would do a great deal to help to ease pollution problems in cities such as London in the months and years ahead.

I see that I am rapidly approaching the time limit, so let me conclude—[Interruption.] I am glad I have said something that is popular among Opposition Members. I welcome the Budget, which continues the Government’s record of job creation and growth. I congratulate the Education Secretary and the Chief Secretary again on protecting and growing education funding, and on committing to fund more excellent schools in our country.

3.14 pm

George Kerevan (East Lothian) (SNP): This was a dull Budget, although I do not necessarily say that as a criticism, because it was meant to be dull. The Chancellor did most of his heavy lifting in the autumn statement, in which he amassed a war chest by borrowing more than £120 billion. The criticism of the Budget is that rather than using that war chest now to raise productivity and improve education, he has put it aside because he does not know what will happen after the Brexit deal is done.

The Secretary of State for Education made a reasonable fist of trying to explain the new T-levels. If her explanation had lasted for two or three minutes, I would have believed her, but after half an hour, I began to think
that she was arguing a little bit too hard, as if she did not really believe it herself. The T-levels were one of the more innovative parts of the Budget—I do not demur from that—but if we want a technical education of the standard that exists in Germany or the Netherlands, we must have the schools, and the workshops, computers and machinery in those schools, to do the teaching. In fact, the equipment in the schools has to be better than what people will find in the factory after they have graduated. The way to raise productivity is by training in schools at the highest and most advanced technological level.

If the money that the Budget gave to increasing selective education had been put into technical schools in line with the investment that takes place in Germany and the Netherlands, I might just have believed what the Government said. However, the T-levels are yet another blind by a Government who want to pursue selective academic education for a very narrow stream of people, which will not solve the problem of productivity. The one significant change in the Budget that had the biggest impact was the rise in national insurance for the self-employed, so let us try to connect that to the whole question of educational productivity. Rather than Members listening to me, let us take the evidence of two companies: a construction and investment company called Chiswell; and a building company called Castlemead. Does anyone know who these companies are? They are both owned by the Chancellor of the Exchequer. To give him his due, he put those companies into a blind trust in 2010. He is an honourable man, so there is no question of him influencing these companies at the moment, unlike certain Presidents of the United States who we might mention.

It is interesting to see what these companies are thinking about the economy, productivity and skills. The 2016 accounts of Castlemead say that the building industry is “suffering from supply bottlenecks, particularly of skilled tradespeople, driving up costs.”

What does the building company Chiswell say? It states: “The scarcity of good quality and committed subcontractors is still an issue”.

The company is considering going back into house building. Of course, this skills and supply bottleneck is largely seen among the self-employed. To sum up, the Federation of Master Builders says that 60% of SME construction firms are struggling to hire bricklayers and carpenters.

The Secretary of State claims that the increase in technical training will help to supply some of this much-needed skill demanded by Chiswell and Castlemead. At the same time, however, the Chancellor is removing the incentive to work and to take up training because he is raising the taxes of the very workers whom his companies say they need. In other words, the Chancellor is so short-sighted that he is hurting not only his own businesses but, sadly, everybody else’s.

This is not just a dull Budget because, at its heart, there is a ticking timebomb. The OBR forecast about what happens next is interesting, as it relates to whether the money will be there to provide the training about which the Secretary of State has spoken. The Chancellor was concerned to tell us that, under his chancellorship, growth has been very strong in the past 12 months. Growth in this country has been powered by consumer borrowing. If we drill into this, we find that the OBR says that in 2016 the savings ratio in the UK hit a historical low—it has gone to zero and below. People are dissaving. If people are not saving, ultimately the funds are not there to finance the investment that will raise productivity. Moreover, because saving has collapsed, the OBR does not think that there is a potential for consumer borrowing and consumer expenditure to continue to carry the economy. The OBR predicts a downturn in the availability of consumer funds over the next 12 months, so the dissaving cannot continue.

Most of the boost to consumer spending last year was a hangover from 2015, when inflation was fairly low. As real incomes were rising—a rare occurrence in the previous 10 years—people felt that they were a bit better off. However, now that inflation is rising, because the pound has tanked, we can expect consumer borrowing to disappear, so how will the economy meet its growth targets? The OBR says that the borrowing will be replaced by a rise in business investment. When I asked the OBR officials who appeared before the Treasury Committee yesterday why they thought that—where was the evidence that business investment would rise?—they had a wonderful answer, which quite took my breath away: “Business investment has been so low for so long that it is bound to go up some time.” [Laughter.] That was what they said; Members can go and read the transcript.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Things can only get better.

George Kerevan: Indeed, but I will believe that when I see it, and I will believe that pigs can fly.

Ian Blackford: May I amplify the point that my hon. Friend is making? On page 7 of its book, the OBR states that investment intentions have been put on hold, but when we turn the page, we find that business investment is forecast to grow by between 3.7% and 4.2% between 2018 and 2021. It simply does not add up, does it?

George Kerevan: Not only does it not add up, but it means that we will not have the investment in plant and machinery that will raise productivity. We will miss our productivity targets yet again. Since the Chancellor has amassed his war chest, he should be using it. He should not wait for two or three years to see what happens after Brexit—no general does that. What is needed is investment now. Let us get on with the T-levels. Let us invest in English schools. I think that that would be a good thing to do, but it is not what the Budget says.

Richard Drax (South Dorset) (Con): I am listening carefully to the hon. Gentleman’s speech. As I understand it—a Minister may be able to confirm this—the Government have invested £300 million. Colleges can apply for technical status, and the money will help to provide all the equipment, which I entirely agree is needed.

George Kerevan: I accept that proposition but, having spent 25 years of my life teaching in further education, I know that £300 million for the whole of England and Wales becomes a tiny amount when we drill down to all the individual institutions. Can the Government not confront reality? If we want the productivity levels of Germany, we should not be talking about £300 million;
we should be talking about £30 billion. If the Government do not want to spend £30 billion, that is fine, but they should not pretend that small amounts of money somehow solve the problem.

**Ian Blackford**: I learned a lot from my hon. Friend because about 35 years ago he was my economics lecturer. We have delegated responsibility to the Bank of England through the quantitative easing programme, and that has led to a lack of balance. We have seen £435 billion of QE that simply has not worked, but we have not seen enough fiscal responsibility from the Government to create the circumstances that will deliver sustainable growth.

**George Kerevan**: My hon. Friend is right. However, it is important to pin the blame where it is deserved, because perhaps the Chancellor gets too much of it. The blame actually lies in Downing Street with the Prime Minister. When she launched her bid for leadership of the Conservative party on 30 June 2016, she said: “If before 2020 there is a choice between further spending cuts, more borrowing and tax rises, the priority must be to avoid tax increases since they would disrupt consumption, employment and investment.”

Yet now we have a Budget that will raise the taxes of the self-employed and entrepreneurs—the people whose motivation is required for growth in the economy and an increase in productivity. It is the Prime Minister who has reneged on her leadership promise; the Chancellor is only doing her bidding.

This Budget claims to address the questions of education and productivity, but it is actually about selectivity and privilege for the narrow few. Let me tell the House what it has not done. For the first time in 100 years, the millennial generation is earning less than its parents. The Budget does not deal with that, because the Chancellor has sat on his war chest. Home ownership among middle earners is falling for the first time in 50 years. Mrs Thatcher would be turning in her grave if she heard that that was happening under a Conservative Government. By 2020–21—the end of the forecast period—average incomes will be a fifth less than they would have been if growth had continued at pre-crisis levels. There will be £5,000 less for every household.

The Conservative Government have not delivered a return to wealth for the ordinary person. The Chancellor’s freeze on universal credit and housing benefits means that one person in seven will have a lower real income in five years’ time. This is a Budget that does not address the real issues of inequality in this country. It is a Budget for inertia and complacency, and I will vote against it.

3.26 pm

**Sir Edward Leigh** (Gainsborough) (Con): It is a pleasure to follow the hon. Member for East Lothian (George Kerevan). He rightly had a lot to say about education in England, but we might have liked to hear more from him about education or health outcomes in Scotland.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): I can tell the hon. Gentleman that the outcomes of Scottish education, in terms of the number of people entering work and higher education, are significantly higher than they are in this part of the United Kingdom.

**Sir Edward Leigh**: I am very grateful for being informed. Before the hon. Gentleman stood up, I did want to say to him and his colleague the hon. Member for East Lothian that the events of the last 24 hours had convinced me more than ever that I was right to table an amendment, at the beginning of the present Parliament, to give full fiscal autonomy to Scotland, with a modern equalisation formula which would ensure prosperity throughout the nations of the United Kingdom and replace the outdated Barnett formula. Perhaps SNP Members should not intervene on me too often, because basically I am on their side when it comes to these matters.

I want to say a few words in defence of the Government. I am aware that that is sometimes an unpopular thing to do, but I feel that the Chancellor was courageous. I know that that is what Ministers are sometimes told by their civil servants when they are doing radical things—“It is a very courageous thing that you are doing, Minister”—but I think that this was the right thing to do. A storm has broken about the Chancellor’s head over the last few days. Why was it the right thing to do to try to plug the funding gap and to increase national insurance contributions? It was the right thing to do because this is, I think, about honesty in politics. Too often in Budgets we have seen gimmicks and little giveaways. We have only learnt the full story the next day, and we have realised that successive Chancellors have pretty well taken back from us what they have given to us. The Chancellor was trying to say, “We have to have a mature, grown-up debate in this country about how we are going to meet the funding gap in adult care.” That debate will run and run. We have a few months to think about it and to come up with a solution.

People say to me, “You made a manifesto commitment.” Sometimes, circumstances change, and one has to do what is right for the country. It is a difficult thing to do. Manifesto commitments are not written in stone— [*Interruption.*] I did not mean that to be a joke. We all know the history of that particular Labour party manifesto commitment and what might have happened to those words written in stone if the Labour party had won the election.

We have to have a mature debate about how we are going to pay for the NHS. Why do I say that? I am going to be completely honest about it. A lot more needs to be done for our NHS. I rely, as do my family, entirely on the NHS. We have no other providers. People of my age are deeply worried about the funding crisis. We have seen what has happened on A&E—targets have been missed. We have seen the report that puts the UK just ahead of Slovenia, Croatia and Estonia. As a country, we should be doing better than that. What is worse, England was ranked 30th for accessibility because of our exceptionally long waiting times for treatment. The 2013 figures from the OECD show the Netherlands, Sweden, Germany and France at the top, with their spending hovering at around 11% of GDP, while the UK’s stands at just 8.5%. Therefore, we need to have a mature debate about how we are going to meet the funding gap for all our people.
The King’s Fund estimates that, if we wanted to close that gap solely by increasing NHS funding from central Government, by 2021 we would need to increase our spending by 30%—a whopping £43 billion increase in real terms. That would push NHS spending to £185 billion overall.

Are there any alternatives to those scenarios? I pose that question. I know that that is unpopular. I know that people do not necessarily want to debate this, but we cannot raise this money from general taxation—there is not the political will and we cannot afford to do it—not if we want to maintain the NHS as universal, non-contributory and entirely free at the point of use. Something has to give.

The 2015 Euro health consumer index points out a contrast between two styles of health care: the “Bismarck” systems and the “Beveridge” systems. Bismarck systems are based on citizens taking out insurance available from a range of providers, whereas Beveridge systems such as ours have one body that provides all the care. The ECHI says that the largest Beveridge countries—the UK, Spain and Italy—“keep clinging together in the middle of the index.”

The ECHI rated the Dutch health system as the best performing in Europe. The Netherlands happens to have a contributory Bismarck-style system. I believe—I know that it is controversial and that colleagues do not necessarily want to debate it because it is politically very sensitive—that, without appointing a royal commission and wasting years, Ministers, and the Opposition, have to have an open mind about how we are going to raise money for people not from general taxation, but by moving gradually, for parts of our healthcare, to a social insurance-based system.

We also have to have the courage to think radically about following the German and French example and indeed the Australian example. If you go to see a GP in Australia, you have to pay some money; if you do not turn up, you lose the money. In France, if you go to see a doctor or go to A&E, you have to pay a “facture”. If you cannot afford to pay, all that will be returned to you; if you can afford to pay, you have to make a contribution.

I know that these are radical ideas. However, if people are going to dismiss them, and dismiss the need for an open debate about how we are going to fund our healthcare system, they have to explain to us how they will raise the money from general taxation. There is no point simply attacking for Government for increasing healthcare contribution. There is no point simply attacking for Government for increasing national insurance contributions without proposing how we are going to tax to have a world-beating healthcare system, which is in all our interests. We want an open debate on that.

We need to have a realistic debate about education, too, on both sides of the Chamber. I do not think the way to approach the debate is to say, “I believe in grammar schools,” or “I oppose selective education in any shape or form.” The Opposition have to ask themselves a serious question: why has social mobility declined so catastrophically in our most deprived areas? The solution may not be to have grammar schools in our deprived areas. It may be to have more academic streams in our comprehensive schools. It may be to set up some selective schools only in deprived areas. It may be to provide places only for academically gifted children who come from deprived backgrounds. If politically and ideologically one says that we are not going to go down that route at all and believes in neighbourhood comprehensives in deprived areas, one has to ask oneself why social mobility is declining, has declined and will go on declining.

The Prime Minister is trying to open up a serious and interesting debate, and the Health Secretary is starting to open up a serious and interesting debate about how we are going to fund the NHS, and the Chancellor is opening up a serious and interesting debate about how we are going to find the money to meet all our future needs. In those terms and on that basis, I welcome the Budget speech.

3.35 pm

Mr Iain Wright (Hartlepool) (Lab): It is a pleasure to follow the hon. Member for Gainsborough (Sir Edward Leigh); he made a thoughtful and forward-looking speech, although I have to say that I could not disagree with him more on the matters of insurance-based payments to fund our NHS and selective education; those are the wrong approaches for this country to take.

I want to mention three key points. The first is the position of the national debt. This year’s “Economic and fiscal outlook” document from the Office for Budget Responsibility states that “the fiscal mandate has targeted different measures of the deficit at different horizons”, which is a beautifully diplomatic way of saying that the Government keep moving the goalposts and still fail to score the goal. The OBR goes on to state that “the Government does not appear to be on track to meet its stated fiscal objective to ‘return the public finances to balance at the earliest possible date in the next Parliament’.” So the Government have failed on the deficit, but they are failing catastrophically on the debt.

In 2010, the Government expected public sector net debt to be falling as a share of GDP; it was forecast to reach a high of 70.3% in 2013-14, falling to 67.4% by 2015-16. However, in every single year that the Tories have been in No. 11 net debt has risen in actual and relative terms, reaching 83.7% of GDP last year, and it is going to rise through this Parliament, with the Red Book forecasting that it will reach 88.9% this year.

When the coalition took office, public sector net debt was £771 billion. This year it reached £1.6 trillion, and the Red Book forecasts it is to rise again throughout this Parliament to £1.9 trillion. This is my first key point: in little over a decade, the Tories will have increased public sector debt by 146%, with it rising by over £1 trillion.

In his statement, the Chancellor said that they “will not saddle our children with ever-increasing debts.”—[Official Report, 8 March 2017; Vol. 622, c. 811.]

However, when Tory Chancellors have increased the public debt by almost 150% in a decade, saddling our children with ever-increasing debts seems to be precisely what this Government are doing.

Chris Philp: Will the hon. Gentleman join me in welcoming the fact that the deficit has gone down from 11% of GDP when Labour left office to 3% of GDP today?

Mr Wright: But the public sector debt is almost touching £2 trillion. The hon. Gentleman cannot be satisfied with that situation when the whole nature of
Tory Governments since 2010 has been not only to reduce the deficit, but also to get the debt down to manageable proportions.

On that point, having debt on a low and falling proportion of GDP provides some scope to absorb the impact of any future economic shock. That was the case with the Labour Government in the run-up to 2008, and in many respects it was the case with the Thatcher Government in 1988, ’89 and ’90, to hit the recession of the early 1990s. But this Government are failing to do the same thing: we will hit any economic turbulence or downturn with public sector debt being about 80% to 85% of GDP. That does not give us the flexibility to be able to respond and help firms and families in a robust and strong way.

The second point I want to make is about the nature of the economic recovery. Seven years ago a Tory Chancellor’s first Budget for 13 years stated that the British economy had become unbalanced, too reliant on growth and, as the 2010 Red Book said, “driven by the accumulation of unsustainable levels of private sector debt and rising public sector debt.”

Growth was confined to a limited number of sectors and regions. I have mentioned public sector debt, and it is true to say that the British economy has performed well; the UK was the fastest-growing G7 economy last year. However, if we scratch beneath the surface, it is questionable precisely who is benefitting from that growth and what sort of growth we are having. Of course, growth is growth, and it has to be welcomed, but the British economy seems to be reverting to type, which could leave us vulnerable to long-term challenges and mean that we fail to take advantage of great opportunities.

Who is benefiting from the growth? The UK has been the only big advanced economy in which wages have contracted while the economy has expanded. Households are facing a period of 15 years in which average real wage growth simply does not happen. Average earnings in real terms are expected to be the same in 2022 as they were in 2007. Such a long period of wage stagnation is unprecedented since before the industrial revolution. Yet despite the lack of wage growth, household consumption is powering the economy, as the hon. Member for East Lothian (George Kerevan) mentioned in his powerful contribution. This has led to an expansion in the dominant services sector, but if consumption growth is running faster than wage growth, it must mean that people are either reducing their savings or increasing their borrowing.

The Governor of the Bank of England said in a speech in January that “the UK expansion is increasingly consumption-led. Evidence from the past quarter century across a range of countries suggests episodes of consumption-led growth tends to be both slower and less durable.”

The household debt-to-income ratio has increased from 140.8% to 143.9% this year alone. These are worrying trends, and we are not seeing an increase in investment or an export-led recovery. Business investment has constantly undershot expectations, and there was a year-on-year fall in business investment of 1.5% last year. Despite the drop in sterling’s value against the dollar by about a fifth since 23 June, we have not seen the boom in exports that we might have expected. In fact, the trade deficit widened to £13.6 billion in the third quarter of 2016. That was due predominantly to a trade in goods deficit getting larger by £8.5 billion.

My third point is that we need a new model for the economy. To be fair to the Prime Minister, she said when she first came into No. 10 that she wanted to see an economy that worked for everyone, and that she wanted to see private sector reform to ensure that growth was rebalanced and reached all parts of the UK. However, that is not what we saw in last week’s Budget. The Government have referred to an industrial strategy as the path by which such growth could be achieved, yet the Chancellor failed to mention the term “industrial strategy” once in his financial statement, which demonstrates the buy-in from the Treasury to the concept. We talk about rebalancing across the regions, but as a north-eastern MP, I could find no reference whatever to the north in the Budget statement, let alone an assurance that we could have an economy that worked for everyone.

In our recent Select Committee report following our inquiry into the industrial strategy, we noted that the Government tend to operate in silos, and this Budget sadly reveals business as usual and more of the same. The Government intervene in the economy every single day, through taxes and regulations, as the Red Book shows. They can do that in an ad hoc, piecemeal way, or they can do it as part of a co-ordinated, strategic purpose. Sadly, the Budget seems to stress the former. It is true that the industrial strategy talks about skills as being essential, and the Chancellor’s announcement on technical education is welcome, but we will not see the fruits of those proposals until 2020-21. The industrial strategy also talks about ensuring that we are one of the most competitive places in the world to start and grow a business, yet the national insurance contributions debate will result in a tax on enterprise, on ambition and on personal risk-taking by entrepreneurs.

The Committee would have liked to see a more ambitious, mission-based approach in which the Government, working with business, set a long-term direction for the economy in the pursuit of tackling global and national challenges. Where in the Budget was the vision on decarbonisation? Where in the Budget was the ambition to be the leading economy to exploit the fourth industrial revolution? Sadly, we got the same short-term tinkering, which will not address issues such as low productivity, skills deficiencies and massive regional imbalances. If the Prime Minister is serious about an economy that works for everyone, we need to see a step change in the way the economy works. An industrial strategy could be the means by which we achieve that but, sadly, in this Budget we saw business as usual.

3.44 pm

Lucy Allan (Telford) (Con): Thank you for calling me to speak in this important debate, Madam Deputy Speaker. It is a pleasure to follow the considered speech of the hon. Member for Hartlepool (Mr Wright). I congratulate the Secretary of State for Education on her passion and commitment to social mobility. We saw that today and we see similar themes in the Budget. I am so pleased that she is doing everything possible to ensure that my constituents have the opportunity to realise their potential. I particularly welcome the Government’s commitment to technical education, the introduction of the T-levels and the fundamental reform
of education for 16 to 19-year-olds. It is truly a Budget for skills. I care so much about that because it represents an important investment in the future of my constituency. Telford has a proud industrial past as the birthplace of the industrial revolution.

**Mr Iain Wright:** That's just wrong.

**Lucy Allan:** I know that the hon. Gentleman disagrees with me, but I will continue to say that Telford is indeed the birthplace of the industrial revolution. We have our foundries, ironmasters such as Abraham Darby, the invention of the inclined plane, the Ironbridge—I could go on, but we are here to talk about skills. Over the years, through innovation and the indomitable Telford spirit, we have been able to overcome obstacles and find solutions to many problems. As a result of that innovation and spirit, Telford has become a dynamic, vibrant centre of the modern industrial revolution. From polymers and plastics to the high-tech automotive supply chain and advanced manufacturing, high-skilled, high-paid jobs are on offer to Telford's young people.

Some years ago, I addressed sixth-form students at Abraham Darby Academy, which is in Madeley in my constituency, and said that university is not for everyone, that many graduates feel ill-equipped for the world of work on graduation and that some find themselves highly in debt in low-paid jobs. There was a bit of shuffling and an awkward silence and the teachers looked at each other and at the floor, and it became clear that almost all the students were being actively encouraged to go to university, which is what they planned to do. At that stage, however, they did not have the choice that is now being offered to students. We now have a clear-cut quality alternative for students who want to spend their post-16 years preparing for the world of work, which has to be a good thing. We have to ensure that the young people of Telford have the right skills and the work-readiness abilities to take full advantage of the opportunities presented by the high-skilled, high-tech jobs that are now coming to Telford.

Employers in Telford frequently talk to me about the skills gap being a major challenge, and the Budget's measures on technical training will address that. Telford already has some fantastic organisations that are working hard to upskill our young people. Juniper Training and the Telford College of Arts and Technology do fantastic things on work readiness and skilling young people up with technical skills. Equally important, however, is the skills training offered by primary schools in Telford. We may be doing something unique, so I want to tell the House about it because it is a model that other primary schools should look to follow.

At Dawley C of E Primary Academy, which is in Madeley, pupils from Newdale Primary and Nursery School in Parliament Hill told me all about how they are learning to code. Many schools do that, but we need to build on the technical skills that children learn at a young age. It is fantastic that we can build on that with a complete overhaul of 16-to-19 provision to create a workforce of tomorrow for jobs that have not even been created yet, which is vital for a vibrant economy and for our global competitiveness.

I say “Well done” to Dawley C of E Primary Academy and to Richard Smith from Amazing ICT, who goes around all the primary schools in Telford helping pupils to discover technology at the youngest possible age. They are giving students the skills they need to thrive in the modern economy and equipping them for the jobs of tomorrow. A particular “well done” goes to the Secretary of State for Education for introducing that transformative approach to skills. As with the new T-levels and the technical education routes, we are helping children to do what they wish to do, and we are boosting UK productivity and UK competitiveness in a post-Brexit world.

I welcome many of the Budget’s other measures, too. I particularly want to mention the measures for women, including the £5 million for the centenary of votes for women in 1918, as it is important that we mark that incredible milestone. I welcome the £5 million for returners and the £20 million for the victims of domestic violence, and I am glad to see those important measures.

**Hannah Bardell (Livingston) (SNP):** I also welcome that funding, but does the hon. Lady share my dismay that, on the same page as her Government talk about giving support to victims of domestic violence, they refuse to get rid of the repugnant rape clause?

**Lucy Allan:** I am glad that the hon. Lady, like me, welcomes the money for victims of domestic violence. It is extremely important that the Government continue to recognise those victims, and I believe our Prime Minister is 100% behind doing exactly that.

I welcome the Budget, and I specifically welcome the Secretary of State’s commitment to social mobility. I know that my constituents in Telford will benefit from the measures that she has set out.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** I have heard a few Budgets in my time. The first was delivered by Sir Geoffrey Howe, who was a thoroughly decent man. Denis Healey unkindly said that Sir Geoffrey had been round the country stirring up apathy, but he was a decent man and I remember his Budget.

This Budget is deeply, deeply disappointing. In the context of the miserable votes last night, with this country heading headlong into a hard Brexit, I expected an imaginative Budget that prepares the country for what Harold Macmillan called, “Events, dear boy, events.” Well, we have already seen one such event from the First Minister of Scotland, and there will be many more from left field and right field. This country is going to be rocked by events over the coming years, and this Budget does not help anyone—nationally or regionally.

I represent Huddersfield, which is almost the average town in Britain, and it is in a dreadful state. They are going to close the accident and emergency services at our local hospital, and they are going to close the whole hospital. There is chaos across our country, not just in Huddersfield. Two thirds of the health services in our country are in dreadful trouble.
Most of the local authorities I know, especially the ones with indecent levels of deprivation and poverty—the ones in the average, real parts of our urban communities in Britain, not the ones in the leafy suburbs that some Conservative Members represent—are in deep trouble and are unable to bear the cost of social care and health. I was expecting something imaginative from the Budget, and we did not get it.

We also got very little indeed on education. Some earlier speakers asked where we could get alternative funding. The hon. Member for Gainsborough (Sir Edward Leigh) and I used to sit together on the Liaison Committee, and I used to call him, very unkindly, a member of the “barmy army,” but he actually thinks a lot. He has always been quite provocative, and he always has something to say. The fact of the matter is that we need imagination and passion to solve our country’s problems, but I heard little passion from the Government Front Bench today. I feel passion because I believe that every little child in this country has a spark of potential. If we, as politicians, cannot create a system that liberates that spark, we are not doing our job.

As Sir Michael Wilshaw said, the disaster of our education system is that we find bright little kids in our primary schools and we lose them after the age of 11. What sort of country and what sort of school system is that? All parties have underachieved, but we have seen some real change. There are signs of improvement, and I shall briefly give the test that most primary school teachers use to assess a young person’s work. They use “two stars and a wish,” and these are my two stars. First, I give a star for the good fundamental policy approach to skills in this Budget. We have been languishing on skills policy for so long, but there is now some imagination there. Who would have thought it? They used to say that John Prescott was a crazy man of the left who wanted a levy for training. Conservative Members used to say that was an absolutely disgraceful left-wing horror. Well, we now have an apprenticeship levy, as we should. It comes in in April and I hope it will succeed.

The Government actually went about policy making in a sensible way. They took evidence and consulted. They put Lord Sainsbury in charge, along with the former Minister the hon. Member for Grantham and Stamford (Nick Boles), who actually got to know something about skills and training. He has gone now, but some of us will miss him, because he listened. He introduced Lord Sainsbury to the skills commission that I chair, and I gave evidence to them both about what I wanted to see in skills policy. Some of that stuff is in the policy that came through in the Budget. I welcome such evidence-based policy. When I was Chair of the Education Committee, we used to applaud evidence-based policies, along with policies that seemed to work in countries like ours. So, there is something in the Budget in terms of skills, Alison Wolf’s recommendations to the Select Committee, and the work done by the Sainsbury review to talk to businesses, employers and practitioners on a cross-party basis. That is the way to make policy.

Sir Edward Leigh: The hon. Gentleman is speaking with great passion and is doing his best to provide some solutions. May I give him another one? Perhaps we should end the fiction that national insurance contributions can pay for all social care. We should merge national insurance and taxation, simplify things, and try to raise more money that way.

Mr Sheerman: I have already complimented the hon. Gentleman on being a good, out-of-the-box thinker, and that is another interesting suggestion to debate.

My second star is for productivity. Actually, it is only half a star, because we cannot really check. The Budget includes additional high-value investment, the national productivity investment fund and world-class infrastructure investment. I like most of that, except I am one of those quirky people who still cannot believe in High Speed 2 and in the fact that all that national treasure is being put into a railway that will be out of date by the time it opens in 2033. I think the money should be spent on the national health service, but I know I am in a minority on that.

The Budget also includes £300 million for the future development of the UK’s research talent and to attract talent from the research powerhouses of China, Brazil and Mexico. I like all that—it is all quite good stuff, so it gets half a star. All the stuff about disruptive technology investment to transform the UK economy, electric vehicles, artificial intelligence and robots is good stuff, but there has not been enough private sector research and development for a number of years. Co-operation between business and universities has not been good enough. We will never get the levels of productivity we want until we have the right kind relationships.

Finally, I come to my wish: for goodness’ sake, where is the evidence that grammar schools and free schools do anything to find the spark in children that we want to release? There is no evidence and no research. Not one reputable research institute or organisation in this country believes that a return to selective education will help anyone—quite the reverse. Look at all the research and the experience in other countries. Just look at Kent, for God’s sake! It is the most selective place in the country and it has the worst performance across all schools in the country. That is selective education. It has no research base and no experience base, and there is no global comparison of which we can say, “Isn’t it wonderful?” They do not have it in Denmark, Sweden or Finland. I doubt it is even the latest fashion in Shanghai.

I like policy that is based on good research and good evaluation, and yes, sometimes we should work across the party divide—that is the way to make policy. This Budget has not delivered it. We want that spark to be found and promoted—we want the country to be rich and successful in the challenging disaster of Brexit—but it is not in this Budget.

3.59 pm

Chris White (Warwick and Leamington) (Con): I am delighted to follow the hon. Member for Huddersfield (Mr Sheerman). We work together in many areas, including as co-chairs of the all-party group on manufacturing. He displayed his typical passion in his speech this afternoon. My view is that we must be forward looking in our approach and embrace an increasingly dynamic economy. If we tie that in with our industrial strategy, we have much to be optimistic about.

I start by acknowledging the positive news on employment. A record 31.8 million people are in work, which is reflected in the figures in my constituency.
Businesses can be particularly proud of the fact that there has been a 74% fall in unemployment since 2010. Naturally, as the unemployment figure falls, it becomes increasingly difficult to reduce that figure further. For that reason, we must think differently about developing a skills base and investing in research and development. Industry 4.0 is a prime example of an idea that must be integrated into Government policy and that must span a range of Departments.

I also welcome the introduction of T-levels. Technical education has the potential to boost productivity. The new system, which will be introduced in 2019, increases the number of hours on such courses and includes good, strong work placements. I spoke in a recent debate on the productivity plan. If we are to improve productivity in the UK, we must first improve our domestic skills base. The £500 million per year in extra funding for technical education is a boost. Warwickshire college, which is in my constituency, is an example of what can be achieved.

Giving parity of respect to technical education in relation to A-levels has been something in which I have long believed. I am pleased that the Government have recognised the significance of this standard. More generally, strengthening ties between our education system and business should be a priority, particularly as the demands on businesses will continue to shift with the changing landscape of the economy.

I welcome the national productivity investment fund, which was announced in the autumn statement, and the funding that will be provided through the spring Budget to upgrade transport infrastructure. In the Midlands, some £23 million will be directed towards improving the transport network. Wider spending on infrastructure with a focus on providing the very best framework for business is vital. The launch of the industrial strategy challenge fund is also very welcome, particularly with its focus on investing in innovation. It is absolutely the right approach to take and I hope that it can be built on as the strategy develops.

During the Queen's speech debate last year, I spoke about the importance of shaping an industrial strategy to give certainty and confidence to British business. Despite being a little alone with that opinion on the Government Benches, I welcomed the industrial strategy Green Paper and the development of the Department. With this new funding, projects that further the capabilities of the automotive sector and that increase the longevity of batteries in electric vehicles can go a long way in securing a prosperous and sustainable future. Investment in infrastructure in tandem with investment in R and D is vital if our potential is to be realised.

The Midlands is well placed to be at the forefront of such technologies, and it is in that context that I welcome the launch on Thursday of the Midlands engine strategy, which specifically mentions the automotive industry and the fact that 39% of UK employment in the sector is in this region. With a strong science and research base, providing additional support to the Midlands is the most effective way of enabling the UK to take a greater share of the international market. Regional empowerment should be a key consideration of Government policy. Sustained support for the Midlands engine is, therefore, vital.

My final point is about the concern of a number of businesses in my constituency about business rates. In recent weeks, I have canvassed opinion locally on the upcoming changes to rateable values. By way of an example, a pub in my constituency is seeing a rise from £18,000 to £68,000. Another is seeing an increase from £33,000 to £94,000. Elsewhere, a business is seeing its rateable value rise to £12,500: being £500 above the rates relief threshold will mean a further tax bill of £6,000. Even for successful enterprises, these significant hikes in business rates risk job losses and closures of businesses altogether. The £1,000 business rates discount for one year for pubs with a rateable value of up to £100,000 is put into context with the rises I have just mentioned. Allocating £435 million towards supporting those that will be particularly impacted is welcome, but I urge the Chancellor to review the issue urgently.

Mr Speaker: I call Gareth Snell for his maiden speech.

[HON. MEMBERS: “Hear, hear.”]

4.6 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op):
Thank you very much, Mr Speaker, for the opportunity to make my maiden speech during an important debate on education and skills. Both are vital to the future success of my constituency, albeit a greater challenge following the sustained underfunding of Stoke schools.

It is a privilege to have been elected as the Labour and Co-operative Member of Parliament for Stoke-on-Trent Central in an election that was not planned and following a campaign that, all too often, did not do justice to the wonderful city that I now represent. Many of my colleagues on these Benches—and, I would wager, on the Government Benches—who came to Stoke-on-Trent during the by-election would struggle to reconcile the vibrant, welcoming and proud city they visited with the portrait painted by the national media. All too often, cameras lingered over disused bottle kilns, while our resurgence in hi-tech ceramics went unmentioned. Journalists posed by abandoned shop fronts, just yards away from the city's thriving cultural quarter, and rarely did our world-class university feature in reports. Commentators talked down my city in order to play up their narrative. They dismissed a capital of culture as little more than the capital of Brexit, pigeonholing my constituents into a box that does not reflect their true character.

While that narrative suited those seeking to win the election on a platform of hatred, division and nationalism dressed up as patriotism, it did a grave disservice to my city, whose motto is “United strength is stronger.” My city demonstrated that nationalism of any sort has no place in our politics. My challenge, for however long I am blessed to represent Stoke-on-Trent in this place, is to champion everything that is great and good about our city; to recognise our problems, but to highlight our many achievements; and to shout loud and often about why the Potteries, above all else, is the best place in the UK, if not the world.

In the Potteries, we are innovators and educators, artists and entrepreneurs. We pioneered the first industrial revolution—something that has been discussed quite a lot this afternoon—and we have the potential to lead the next. We are the home of Reginald Mitchell, Josiah Wedgwood, Clarice Cliff and, more recently, Robbie Williams. But, most importantly, we are home to the Staffordshire oatcake—a delicacy seldom found outside of the ST postcode but which, once savoured, is never forgotten.

Lucy Powell: We’ll have to try it.
Gareth Snell: Yes; I'll bring some.

We were the beating heart of a ceramic empire that stretched to the four corners of the world and, today, proud members of the "turnover club" can be seen inspecting their tableware for that all important back stamp, hoping to find neatly inscribed on the back of their plate or cup the five greatest words in the English language: "Made in Stoke-on-Trent." It is a ceremony my own daughter Hannah has taken up with vigour. Indeed, so enthusiastically does she wish to discover the origins of a dinner plate, she has on occasion forgotten to finish its contents before turning it over and depositing her lunch in her lap.

It was with utter joy, when I arrived in this place, that I discovered that my first cup of tea was from a wonderfully crafted cup produced, upon further inspection, by Dudson, from my city, which, although technically in Stoke-on-Trent North, I am sure my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) will not mind sharing for the purposes of this speech — I hope, anyway. But ceramics is not just our history and our heritage; it is our present, and with the right help from this Government, it can be our future, too.

Mr Speaker, in the middle of my constituency, on an otherwise unassuming window in the city centre, you will see a life-sized picture of TV's Eric Knowles, best known as the ceramics expert on the "Antiques Roadshow". He proudly proclaims that the Potteries Museum and Art Gallery boasts a greater collection of ceramics than even the Victoria and Albert Museum — a discussion I shall no doubt have with the V&A's new director.

That allows me to segue neatly to pay tribute to my predecessor, Tristram Hunt. Although he was, like me, not a native son of Stoke-on-Trent, anyone who met Tristram knew that the Potteries had found its way into his heart. He was a fervent champion for Stoke-on-Trent, and never was an opportunity missed to extol the virtues of our six towns. His ability to bring people together and ignite in them a passion for the Potteries will be sorely missed.

But it was our city's children who most preoccupied Tristram's efforts. He knew that the best hope for our city's continuing resurgence was to ensure that every young person had a good education and the best possible start to life. He was a champion of Sure Start — one of Labour's greatest achievements and, for the doubters on the Conservative Benches, something we will rescue in the next Labour Government. He was a frequent visitor to the many wonderful schools across the constituency. He delivered the maths excellence partnership to improve standards in our local schools and give young people the skills they need to prosper.

Tristram used his talents to promote literacy, because he knew the value of inspiring children to read and to foster a love of books. His enduring legacy in Stoke-on-Trent Central will be a generation of children who, through his work on the now acclaimed Hot Air literary festival, have been able to expand their reading, take up creative writing and explore a world of literature that otherwise would have passed them by. As we speak today of the importance of education and training for post-Brexit Britain, these achievements, and the ongoing challenges, are as important as ever.

Tristram was a thoughtful and forceful voice in this House and beyond, and I know that his contributions will be missed, but he is one of a long line of distinguished parliamentarians to have represented Stoke-on-Trent Central. Whether it was Mark Fisher and his campaigns on local health services and to ensure the sovereignty of Parliament, or Bob Cant as a keen advocate for local government, my constituency has been ably served by dedicated public servants, and I will do my utmost to continue in that tradition.

My predecessor was a man who loved our movement's history, but I am a man who has lived it. Growing up with my grandfather, a union rep for the old Transport and General Workers Union, I was taught from a young age that the greatest strength that working people have is our solidarity. It was a lesson that he embodied in his own life, representing his colleagues at the chicken factory where he worked, and representing his friends and neighbours as a Labour councillor.

My childhood taught me always to stand up for what I believe and always to speak my mind. The latter, it must be said, has sometimes brought mixed results. [Interruption.] Yes, 140 characters are coming out later. Nevertheless, that advice has served me well, and my wife Sophia and I will be proud to pass it on to our daughter, Hannah.

I would also like to put on record my thanks to the Labour movement, including friends in the Labour party, the Co-operative party and the trade unions, for their assistance in my election. Particular thanks must go to my hon. Friend the Member for Stoke-on-Trent North and for Stoke-on-Trent South (Robert Flello).

Ours is a politics based on comradship in which the strength of our common endeavour means that we really do achieve more together than we achieve alone. Those same values of fairness, co-operation and social justice run through the history of Stoke-on-Trent and its people. They were on display in 1942 when the north Staffordshire mining community helped rebuild the village of Lidice in the Czech Republic after it was razed by the Nazis. The driving force behind that crusade was another of my predecessors, Sir Barnett Stross, who said at the time: "The miner's lamp dispels the shadows on the coal face. It can also send a ray of light across the sea to those who struggle in darkness."

At its best, that is what the Labour movement has always been — a ray of light for those who struggle in darkness. It is my immense privilege to be part of that movement here in Parliament, and to try in my own small way to help to hold that lamp aloft. It is a responsibility that I will do my best to meet as I strive to give a voice to the people I represent and showcase all that is great about Stoke-on-Trent.

4.15 pm

Richard Drax (South Dorset) (Con): It is a great pleasure to follow the maiden speech given by the hon. Member for Stoke-on-Trent Central (Gareth Snell). We all remember our maiden speeches. I personally thought the hon. Gentleman made an excellent speech full of passion and conviction. Perhaps a little shiver went through those on these Benches at hearing a man of conviction, which is what this House needs, in my humble opinion, on many occasions. From Staffordshire oatcakes to the ceramic empire, we heard it all. The hon. Gentleman represents an honourable seat and I am sure he will do an honourable job.
I congratulate the Government on doing an excellent job so far, bearing in mind the appalling inheritance that we had back in 2010, along with the banking crisis and many other factors that led to the massive cash crisis that we face. The UK economy is forecast to grow by 2%, real wages are forecast to rise every year to 2021, the deficit is due to fall, and the debt in proportion to national income is also due to fall. All this, and more, is most welcome, and I congratulate the Government of whom I am proud to be a member.

I am also glad that the Government are not ashamed, as they should not be, to mention the dire financial circumstances that our country still faces. Wherever I go in my constituency—I am sure that most Members are the same—we cannot brush over the fact that we are still on a knife edge. We are told—the figures are there—that there is debt of £1.7 trillion, or £62,000 per household; that private debt, which is not often mentioned, is a similar figure; and that there is £50 billion a year of debt interest, which is more than we spend on defence and policing put together. These are horrifying figures that Government Front Benchers are desperately trying to deal with.

I would not be doing my duty as a Member of Parliament if I did not raise a few of my concerns about the Budget, although overall I support it. The word “fairness” is used a lot by the Chancellor of the Exchequer; for reasons I quite understand, but I am not sure that it entirely resonates with those who are going to be affected by one or two tax rises. As a Conservative, I long to hear from a Conservative Chancellor a vision for this country that involves a massive reform of our tax system, which today is one of the most complicated in the world. For example, why cannot we have a flat-rate income tax of, say, 30%? KISS—keep it simple, stupid—is what we were told in the Army, and I think that there is a lot of room for that in the tax system of this country.

Sir Edward Leigh: My hon. Friend is making an interesting speech. The reason why we cannot have a flat-rate tax—is not often mentioned by Labour Members—is that the top 2% pay a quarter of all income tax. It would therefore be impossible to move to a true flat-rate tax, but we could completely simplify the tax system, perhaps by having two rates. We could also try to merge capital taxes, and their terms and rates, much more into income tax. We could therefore start to get rid of the poverty and unemployment trap.

Richard Drax: I entirely concur with my hon. Friend. As always, his intervention was absolutely spot on.

Another point I have noticed during the six or seven years I have been in the House is that everything is ring-fenced—every Department is ring-fenced. The Chancellor says, as we have heard previous Chancellors say, that there is so little room for manoeuvre. May I suggest that we take away the ring fence, think radically about areas such as the national health service—my hon. Friend mentioned it—and try to look at things far more in the round for the future of our country? I would have liked to have heard a lot more about Brexit and the future—where we are going—in the vision from the Chancellor, as I do not believe that we heard about that.

I want to touch on one or two other issues, the first of which is the national insurance hike. I must say that I am concerned about that because many people who will be affected work and live in my constituency of South Dorset. The money raised will be relatively pitiful, but 2.5 million people are facing an average rise of £240. I have heard about a manifesto pledge being broken, and I believe it has been broken. I am not saying that manifesto pledges cannot be broken, because circumstances may change, meaning that they have to be broken.

I have consistently argued that if we are to look for more money, the overseas aid budget is the area that we should consider. Many of my constituents certainly believe that we should help the less well-off—of course we should. However, setting an arbitrary figure for such aid of 0.7% of GDP—interestingly, the average figure for the EU is 0.4%—is a pledge too far. It is also a pledge that this country clearly cannot afford, because many areas of our national life are now calling for more money.

Self-employed people take risks that the employed do not, as we all know. They risk their homes, livelihoods and families. That is one reason why they have, or did have, such a tax advantage. I know that there has been equality as far as pensions are concerned, but I still believe that the risk takers, the entrepreneurs and the aspirational—the people we need to create wealth, prosperity and jobs for our future, especially as we move to leaving the EU—should not be penalised.

I am not happy about quarterly reporting. The self-employed and small businesses will be required to file in four income tax returns a year instead of one. They will need to do so digitally, but if hon. Members speak to farmers about applying for grants digitally, they will find that that is not always easy. Such people will require an accountant and there will be extra costs. Income tax will have to be paid at the end of each quarter, rather than in one or two instalments each year, and that will inevitably affect cash flow. It is important—in the good times or the bad times that we know businesses experience—to have an annual look at a business, rather than for it to be affected during a poor period by a cash payment that has an impact on its cash flow.

Another area that I am concerned about is probate fees. At the moment, probate costs are capped at £215. It is worth noting that the costs on estates of over £50,000 could now range from £300 to £20,000. The press have dubbed this a “death tax”, and I think that that is a fair comment.

On death taxes, I want to mention inheritance tax—I declare an interest. I think that inheritance tax is completely immoral. We pay a lot of tax all our lives, and when we die, as we cannot avoid doing, 40% is charged by the state. In my view, that is completely immoral. Let me quote the previous Prime Minister, David Cameron, who said at the last election:

“We will take the family home out of inheritance tax. That home that you have worked and saved for belongs to you and your family—you should be able to pass it onto your children”.

I entirely concur.

In my remaining minute, let me say that I want the abolition of inheritance tax, a review of capital gains tax and the simplification of the whole tax system. I also want much more investment in technology colleges—I entirely agree with the hon. Member for East Lothian (George Kerevan)—where I think the future lies for all the jobs that we will need to fill. If money is needed, I want the overseas aid budget to be targeted, rather than any other ring-fenced area.
The situation regarding business rates concerns me. In the view of Tim Martin, the very able founding chairman of Wetherspoons, who came to address my apprenticeship fair last week, supermarkets will get away with it and his pubs will get hammered. Finally, may I gently ask Ministers that we stop using the terms “tax avoidance” and “tax evasion” in the same sentence? Tax evasion is illegal; tax avoidance is something we all do for our families’ sake. I would be grateful if we could stop using the two terms together.

Mr Jim Cunningham (Coventry South) (Lab): I start by congratulating my new hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell). His speech was interesting and very hopeful, given the economic situation that the people of Stoke-on-Trent, like the rest of the country, are suffering from. I am sure their new Member will do his adopted city proud, as I try to do for Coventry.

Let us look at the Budget in the context of the austerity measures that the Government have pursued. They will have lasted far longer than the time from the start of the second world war to the end of rationing, and we wonder why people like Donald Trump get elected—it is because austerity has gone on far too long in America, like in this country and in Europe. I would have expected the Budget to have offered at least some sort of hope to the British people, but all we had was a further dose of austerity.

The Government told us that the deficit would be eliminated by the end of the last Parliament—another promise that they have broken. In fact, the Chancellor is now extending the deficit. Taxes are increasing while real wages are falling. The TUC’s analysis has found that the UK ranks 103rd out of 112 countries for pay growth. Some 6 million people earn less than the living wage and 4 million children are in poverty. The Government have not really addressed those issues.

When Labour left office, Britain retained its triple A rating, we had low interest rates to help poorer families, and 85,000 more nurses and 32,000 more doctors had been trained. The current Government, and the coalition before them, have been living off the benefits of that.

Another broken manifesto promise by the Government is on national insurance contributions. That was touched on earlier, so I will not elaborate too much on it, but it will affect self-employed people, particularly those in lower pay brackets such as taxi drivers and people working in pubs. The rich will not necessarily be better off as a result, but the change will hit hard-working people.

In the case of welfare, there has been no reversal of the personal independence payment cuts and the changes to employment and support allowance, which will hit disabled people hard. There have been demonstrations about that, and I am sure that my colleagues will have been lobbied about it at their surgeries. Yet the Government have started a process that will allow some people to pass on property free from inheritance tax.

Stephen Pound (Ealing North) (Lab): Not only do we get lobbied in our surgeries but we get lobbied at home—my son, a self-employed electrician, was speaking to me about this the other day. Not only is he being hammered for NICs, but he is having to do quarterly tax returns—he is tempted to vote Labour! That is the unfortunate side effect, from the Government’s point of view. Does my hon. Friend accept that the Conservatives are no longer the party of the self-employed—the party of white van man and woman? They are the party of themselves, and of the wealthy, the rich and those who are not bothered by what have been described as “pitiful” sums of money.

Mr Cunningham: Simply put, the Conservative party was never on the side of the working man, so nothing has changed there. I am quite surprised at times that some people vote for the Conservatives.

Healthcare has been touched on in today’s debate. The funding for social care is welcome, but it is too little, too late. It is putting a plaster over a big wound, and it will not solve the long-term issues. Funding for the national health service is needed, but the funding that has been announced will not help in the longer term; more investment is needed. Council tax increases will raise money in the short term, but they will not solve the problem in the longer term. In Coventry, the increase in council tax will generate about £443 million, but the national living wage increases will cost about £600 million. The Government have abdicated their responsibility for social care and they are shifting the burden on to local authorities and local people, rather than paying for it from general taxation.

Turning to pensions, we were lobbied last week by what we call the WASPI women, but there is nothing in the Budget to address the problems that they face. Women’s issues have certainly been mentioned in this debate, and in many debates in this House over a long period of time. Yet again, however, the Government have done nothing to address the issues that really affect the WASPI women. I will not go into the detail of the hardship that they experience, because it is well known to the House, but the Government have done nothing to address it. The Government boast that there are more women in work. That might be true, but they forget to mention that a lot of women—many of them in lower-paid, manual jobs—will have to work for longer.

The business rate changes will hit small businesses on the high street the hardest. The £1,000 relief for pubs is not a lot in the great scheme of things. It is only a gesture, and it will not help in a meaningful way.

Let us look at education. Instead of funding free schools, money should be invested in our existing schools. Schools are being asked to find £3 billion of cuts, and resources are already stretched to breaking point. Local authorities in Coventry have always taken the decision to fund schools well, but the national funding formula will leave pupils with less funding, even though the Government say that no pupil will be worse off. Will they guarantee money to ensure that the national funding formula does not leave Coventry schools with a shortfall?

The Institute for Fiscal Studies warns that, by 2020, school funding per pupil will have been cut, in real terms, by 6.5%. Funding for 16-to-18 education will be on a level similar, in real terms, to that of 30 years ago. The Chancellor has ignored the funding crisis in the Budget. The cost of employing staff is growing because of increases in employers’ contributions to national insurance and pensions, plus pay increases, but there has been no additional funding for that from the Government.
Women will still have to prove that their third or subsequent child was the product of rape to get child benefit. Once again, we see women being discriminated against by the Government. Women are still disproportionately affected by austerity, and the £20 million fund for violence against women is not enough to offset the cuts that they have faced since 2010. That fund is likely to be a repeat of the £20 million announced last November; it may well not be new money.

In the midlands, although the £392 million of funding through the local growth fund is welcome, it is not sufficient if we have any real intention of developing the west midlands economy. Listen to this: Coventry and Warwickshire will get only £42.4 million, which is not a lot when we consider the area. There will be £20 million for the midlands skills challenge to improve employment prospects for people in the area, £4 million to support the midlands engine partnership, £12 million for commercial and housing developments and broadband infrastructure, and £11 million to support skills and apprenticeships in Coventry and Warwickshire. That will not solve the problems that the country faces.

Although investment is welcome, there is also a housing crisis that needs tackling. London has been awarded nearly 10 times as much for housing. Since 2010, there has been a 40% cut in Government funding to local councils, and small businesses and high streets will be hit hard by business rates rises, but that has not been addressed in the midlands engine strategy. By 2020, the Conservative Government will have cut £655 million from Coventry City Council’s budget, and the midlands engine strategy will not cover that shortfall. Social care and our NHS desperately need funding, and Coventry and Warwickshire local authorities expect a deficit of £33 million by 2020-21 in social care. The midlands engine proposal is superficially attractive, but it will not cover that shortfall. Social care and housing developments and broadband infrastructure, and our NHS desperately need funding, and Coventry and Warwickshire. That will not solve the problems that the country faces.

On pay, wages, jobs and growth, I was particularly disappointed that the Government failed to take action to offset the planned cuts to universal credit later in this Parliament. I say to the Minister: is that not a repeat of the £20 million announced last November; it may well not be new money.
Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. As the hon. Member for Birmingham, Ladywood (Shabana Mahmood) cleverly and rightly anticipated, I am afraid that the time limit for speeches has to be reduced to six minutes.

4.41 pm

Ruth Smeeth: I could not agree more with my hon. Friend. As the niece of a black cab driver, I should really declare an interest.

It seems that, as far as the Chancellor is concerned, the “strivers” that his party claims to stand up for are not striving quite hard enough. It is beyond belief that at a time when Britain needs to rebuild and rejuvenate its economy, this Government have chosen to impose a tax on hard work and entrepreneurship. It is also a tax on aspiration, something that we should promote, not attack. I remind hon. Members that this was billed by many as the last pre-Brexit Budget, yet the glaring omission in the Chancellor’s plans was any clear vision of what Britain might look like after Brexit and what sort of investment and Government support might be needed to get us there.

As for constituencies such mine, which voted overwhelmingly to leave, there seemed to be no consideration of the investment and support needed to make sure that places like Stoke-on-Trent can benefit and thrive from our new relationship with the world. There is no clearer example of this than the Government’s approach to education and skills, which is the single biggest issue raised by all the employers and educators in my constituency when we discuss industrial strategy—another phrase sorely missed from the Budget.

Schools in my constituency are losing an average of £400 per pupil, and our city is crying out for proper investment in skills and education. Instead, the Chancellor is choking the life out of our public education system, while pouring millions into a doomed experiment in selective education. That lack of commitment to our wider education system is deeply concerning, because the single most important thing that we can do to improve the economy of my great city and others is to improve the skills of the people who live and work there.

It is not a lack of will that is holding my young people back; they are enthusiastic and keen to work. What is missing is the support and investment to ensure that they are fulfilling their potential, learning the skills that they need in order to succeed and gaining the qualifications to prove it. Last week I visited a wonderful primary school in my constituency—the best primary school in the city, even—which is already having to choose between teachers and computers. It is not two to one for books; it is two to one for computers. That is why it is so wrong—at a time when we should be upskilling our communities for the challenges of the future so that they can embrace the fourth industrial revolution—for the Government to focus on a grammar school system that will benefit only a select few and overwhelmingly favour those from more privileged backgrounds, rather than providing the basics for every child in every school.

We need to ensure that all our schools are properly funded, and that we have a robust system of early intervention to support the most vulnerable families right from the start. That is why our children’s centres, our primary and secondary schools and our further education system need investment, not vanity projects. If we are to make the best out of Brexit, which we now desperately need to do, we must ensure that our communities are ready to seize those opportunities. We need a workforce that is ready for the jobs of the future, we need a universal and properly funded education system, and we need to ensure that all our young people are supported so that they can realise their potential. We need a better deal for the next generation, not this ideologically driven waste of public funds.

4.46 pm

Lucy Powell: I echo what has already been said about the fantastic maiden speech of my new hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell). I went with him to visit a maintained nursery school in Stoke, and I know how committed he is to education and skills in the area. That brings me to the main thrust of my own speech.

After nearly seven years, the cumulative effect of Government policy on education and skills is now being felt by pupils, parents and teachers, and has given rise to a number of serious issues, each of which should demand the full attention of Ministers. School budgets are falling for the first time in 20 years. There is a teacher shortage crisis. There has been a huge rise in pupil numbers, requiring about 400,000 new school places. We are
by Conservative Members is that the tiny number of children on free school meals who get into grammar schools, who by definition are already high-achieving, do better than all the other children on free school meals. What a joke of an argument that is to base the entire policy on. There is a huge amount of evidence going the other way.

Perhaps that is why, when the Secretary of State addressed the usually mild-mannered and pragmatic Association of School and College Leaders at the weekend, she got boooed, which has never happened at that conference before. It may also be why the Sutton Trust, the Government’s own Social Mobility Commission, the Education Policy Institute, the former chief inspector of schools, all the secondary heads in Surrey and many, many others and many Conservative Members have come out against those proposals.

There are plenty of things that the Government should be doing, and we have mentioned a few of them. Perhaps they should get to those core issues, rather than creating yet more uncertainty and instability in the system. They should get on with doing something about the major funding challenge. This is not about fair funding—it is about funding levels being maintained at the levels they are now. The belts are being tightened even more for some schools, but all schools are losing out from those funding measures.

The Government should do something about teacher shortages. For five years in a row, they have missed their retention and recruitment challenges. They should do something about the school places crisis and work with local authorities, rather than plonking free schools where they are not needed. And get a grip on what is happening with the new GCSEs and curriculum. There is absolute chaos there.

If the Government really want to do something about social mobility, they could do a lot worse than look at investing properly in quality provision in the early years, rather than trying to deliver child care on the cheap. Investing in people—in nurses and in doctors—and in others were completely demoralised, we spent millions and millions of pounds on repairing hospitals and investing in people—in nurses and in doctors—and in hospital services, so that when we left office in 2010 our NHS was a brilliant service. The Tories inherited that and they are now destroying it.

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If the Government really want to do something about social mobility, they could do a lot worse than look at investing properly in quality provision in the early years, rather than trying to deliver child care on the cheap. There is plenty of evidence to support it, and I am happy to discuss that with Ministers if they want to have a real agenda for social mobility.

4.53 pm

Yasmin Qureshi (Bolton South East) (Lab): Sometimes we hear Government Members and the Prime Minister herself talk as though when Labour was in power, we did nothing for health, education, children, the homeless, older people and other vulnerable groups, but let me take the six Conservative Members who are sitting in the Chamber on a trip down memory lane. In 1997, when hospital waiting lists were more than three years, people were lying on hospital trolleys, and hospital staff and others were completely demoralised, we spent millions and millions of pounds on repairing hospitals and investing in people—in nurses and in doctors—and in hospital services, so that when we left office in 2010 our NHS was a brilliant service. The Tories inherited that and they are now destroying it.

We had the mantra “education, education, education,” and we followed it with real funding in our education system. I am sure people will remember that there were run-down schools, some with leaking roofs, and demoralised teachers, and all the extra funding that we put in. This Government now take credit for our education doing so well, but that is because of the investment we put in
from 1997. We also took half a million children out of poverty and began the Sure Start programme, which helps young people; if we really want to help young people from poorer backgrounds to succeed, we need to ensure that early years education is good, and Sure Start helped many families.

We also introduced the education maintenance allowance for 16 to 18-year-olds, which helped many young people from poorer families to stay on at school or college. That was abolished by the Conservative-Liberal Democrat Government, and now many young people, instead of being able to stay on and study at school or college, are having to go to the jobcentre to sign on, and are not getting any extra training or learning. That is one of this Government’s most counterproductive actions, and it is driven purely by ideological considerations.

Yes, we did create academies, but only when schools were failing, and often in poorer parts of the country, to improve educational levels. Since 2010 this Government have been forcing many outstanding schools to become academies by offering them extra money. Hundreds and hundreds of millions of pounds have been spent on forced academisation and on free schools when many ordinary schools are suffering, and the funding formula has now been changed, affecting many ordinary schools in my constituency. It would have been far better to spend money on most schools than on the ideologically driven academisation of even very, very good schools. I was very disappointed that the Chancellor did not bother to reintroduce something like the education maintenance allowance or redress the funding formula so that all schools can benefit.

Everybody accepts that early years education is very important for children. The Bolton alliance of nursery providers has come to see me on a number of occasions and talked about the fact that although the Government have promised 30 nursery hours, the funding formula that goes with it is just not enough for providers to be able to offer proper provision in nurseries. These providers are not big businesses: for example, one nursery owner says that they will go out of business because they just cannot afford to offer a decent level of nursery provision.

I raised this point at last week’s Prime Minister’s questions when I asked, “Can we please reconsider the funding for nursery education?”

I am afraid that, again, this Budget does not address anything. We are told, of course, that a lot of the cuts and the austerity are all to do with balancing the books, but this Conservative Government have borrowed £1 trillion in the last seven years, so our debt is higher than it has ever been. Let us not have lectures from the Government who say that the Conservative party is the party of economic prudence or the party of getting the country going; it is not.

The national debt to GDP ratio is now over 80%, yet when the Labour Government came into office in 1997 it was only about 40%, and after a few years of that Labour Government being in power it was 34% of GDP. Again, no lessons are required from the Conservative party about who is economically prudent and who is not.

We on the Opposition Benches propose a different future, because this Budget has done nothing for jobs, nothing to increase people’s pay, nothing for people on lower incomes, and nothing for many, many people who are worse off and have been the subject of the austerity cuts. We need a Government who will not abdicate their responsibility, nor sit on the sidelines. We need a serious approach to the economy. We do not need a laughing, complacent Chancellor; we need one who protects our living standards and jobs and the environment.

4.59 pm

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I proudly share the mining heritage of the hon. Member for Stoke-on-Trent Central (Gareth Snell), who is no longer in his place. Although I might not agree with quite everything he says, I commend him for his passionate and quite excellent speech, and for his extremely kind and honest words about his predecessor. Stoke-on-Trent certainly has a new champion, and we on these Benches wish him all the very best for his future in this place.

My hon. Friends on these Benches have made numerous salient points about the shortfalls of this Budget, which is noticeably a much thinner document than last year’s pre-EU referendum spring Budget. A thinner document, and yet thicker gruel within. I would like to focus on the glaring issue of the extraordinarily misleading employment statistics used as a foundation for many of the new proposals in this Budget. The Chancellor has claimed that 2.7 million more people are “enjoying the security and dignity of work than in 2010”.—[Official Report, 8 March 2017; Vol. 622, c. 809.]

I cannot fathom how he can describe as dignified the gig economy that has emerged since 2010, which is filled with zero-hours contracts and insecure temporary work, or the huge growth in the number of individuals who are self-employed through necessity rather than choice. In fact, the working conditions faced by many today are far less dignified than those faced by people a decade ago. Also, many of those workers now face the loss of the minimal remaining employment rights that have been secured by the EU due to the coming hard Tory Brexit.

The Chancellor has stated that he does not want to saddle the next generation with ever increasing debts. I would suggest that he consider addressing that problem by taking a closer look at the funding allocated to the Department for Work and Pensions Work programme. Since 2011, more than £1 billion has been spent on attachment fees, job outcome payments and sustenance payments, all of which are rather nice-sounding euphemisms for what the Government have really been doing: paying off employers—often large chain retailers—to hire Work programme participants to stack shelves or work on shop tills. Not only does this grossly skew the Government’s employment statistics; it also sheds light on the issue of stagnating productivity. It hardly seems a stretch to suggest that if that £1 billion had been used to invest, rather than to aid the UK Government in fudging their employment statistics, productivity might be just a little higher.

I would like briefly to address the Chancellor’s claim that individuals elect to be self-employed, rather than a regular employee of a business, due to the marginally lower rate of national insurance contributions required to pay. This point was made very articulately by my hon. Friend the Member for East Lothian (George Kerevan). That might be the case for wealthy consultants in the
City of London, but it is certainly not the case for the numerous builders, joiners, electricians and other tradesmen I have spoken to in my constituency, and others all over Scotland.

**Martin Docherty-Hughes** (West Dunbartonshire) (SNP): On 27 October 2015, when the right hon. Member for South West Hertfordshire (Mr Gauke)—then Financial Secretary to the Treasury—gave evidence to the Public Bill Committee on the National Insurance Contributions (Rate Ceilings) Bill, he stated:

“I remind the Committee of the purpose here. It is to emphasise and underline our commitment not to increase national insurance contribution rates in the course of this Parliament.”—[Official Report, National Insurance Contributions (Rate Ceilings) Public Bill Committee, 27 October 2015; c. 9.]

What does my hon. Friend think went wrong?

**Philip Boswell** (Alas and alack, it appears that word is seldom kept in this place.

The people I was describing often do jobs for the same companies for years on end, but the companies will not hire them as regular employees due to the cost of providing them with basic employee benefits. This means that they do not have maternity or paternity leave, sick leave or paid holidays; nor do they have the security of knowing whether they will be employed in a month’s time. The insinuation by the Chancellor that these individuals elect to give up all those benefits for the sake of saving a small percentage of their income on national insurance payments is absurd and hugely offensive. If the Chancellor would like to address the gap in revenue due to the growing trend of self-employment, I suggest that a fairer and more effective way would be to tackle those companies that hire workers only as self-employed contractors, in order to avoid paying employee benefits, rather than blaming those who are subjected to these unfair employment practices.

The Chancellor has presented yet another Tory Budget that blames working people for the economic problems created by the London-centric elite. It offers nothing new to address the existing economic problems faced by so many; nor will it protect working people from the fallout from this hard Tory Brexit. So much for caring Conservatism!

5.4 pm

**Anna Turley** (Redcar) (Lab/Co-op): After seven years of economic failure, missed deficit reduction targets, deteriorating public services, increasingly insecure employment, and an explosion in the number of food banks supporting working people, my expectations for this Conservative Budget were already low, but have we ever had a Budget so lacking in substance? With breathtaking complacency, it made no mention of the greatest economic challenge facing this country: Brexit. It is clear from the debate this afternoon that the Government have no clue about what they want from Brexit or how much it is going to cost.

Eliminating the UK’s deficit by 2015 used to be the Government’s overriding goal. That target has now been dumped and public debt is climbing to almost £2 trillion. Is this the long-term economic plan so often wildly cheered from the Government Benches? Our public services have paid the price of failure. NHS waiting lists are rising, and our social care system faces a huge funding black hole. In Redcar and Cleveland, the amount spent on social care has gone down in real terms by a fifth under this Government despite rising demand, and there are 400 fewer police officers keeping our streets safe in Cleveland.

Our schools are losing funding, too. In Redcar and Cleveland, schools will lose a whopping £7.8 million by 2020—£422 per pupil in one of the most deprived areas in the country. As my hon. Friend the Member for Huddersfield (Mr Sheerman) said, while our primary schools are in the top 10 in the country, our secondary schools desperately need more support, and the newly departed Lord Heseltine highlighted our poor secondary education in his report on the Tees valley. When the Government close our steelworks and batter our local economy, leading to the loss of over 3,000 jobs and a youth unemployment rate two and a half times the national average, the Secretary of State for Education owes it to our region to invest in the future of our young people, not to snuff out their potential before they have begun.

Teesside has suffered from the loss of well-paid industrial jobs and from falling living standards. Unemployment in the Tees valley has been above 10% for most of the time that the Conservatives have been in office. Austerity has hit many families in my constituency. Over 2,000 people were affected by the bedroom tax and others by unfair benefit sanctions and cuts to tax credits. Living standards are falling, with average annual wages forecast to rise much more slowly than expected over the next four years. At the same time, families are turning to credit to make ends meet. The household debt forecast has been revised up to £189 billion by 2021.

What Teessiders really needed from this Budget was support on the big challenges we face: infrastructure, industry, and skills to give our local economy the boost it needs. Despite the difficulties of the past few years, I strongly believe that our region is on the cusp of a new industrial renaissance. A high degree of investment and development is coming to the region, including the petrochemicals site at Wilton and the former SSI site. Sirius Minerals and MGT Power are both investing in Redcar and Cleveland. However, that investment, and the opportunities that come with it, will not benefit local people unless there is a skills revolution and we get the necessary technical education to capitalise on future industrial opportunities.

The Chancellor did not face up to the challenges facing our country or our workforce. He did not take action to address the unfairness that is holding back areas such as mine. The north-east continues to lose out on regional investment, funding for infrastructure, and investment in education and skills to develop the industries of the future. The Budget made no mention of the north of England, of the so-called northern powerhouse or, indeed, of the industrial strategy, as pointed out by my hon. Friend and neighbour the Member for Hartlepool (Mr Wright).

What is more, the future of Teesside’s economic resilience will depend upon the success of our small and medium-sized businesses. Many small local businesses have been in touch with me about the huge impact of the Government’s business rates revaluation. The Chancellor’s measures to soften the burden are welcome, but there will still be a rise for most. Moreover, the area’s self-employed workers will not have been happy to learn that their national insurance contributions will rise, despite a manifesto promise by the Tories not to
increase them. Many ex-steelworkers went self-employed after the closures, with Government funding actively encouraging them, and now many will be hit by the rise. The wrong priorities were at the heart of this Budget. It was a paper-thin, miserable, brittle Budget that came after seven years of crippling economic failure and austerity. I heard no vision in it for a post-Brexit Britain or for the Tees valley.

5.9 pm

Susan Elan Jones (Clwyd South) (Lab): It is a privilege to follow my hon. Friend the Member for Redcar (Anna Turley) and to hear a terrific maiden speech from our new colleague, my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell), who will be a great asset to the Labour movement, the Opposition and this House.

I also hope that the Government will consider what the Farmers Union of Wales has to say, because the Budget has a particular consequence for our rural communities. The union’s managing director, Alan Davies, rightly asked this question last week:

“Why is it that tax is being increased for those hard working individuals, some of whom only make a profit just over £8,000, whilst at the same time corporation tax is falling?”

The Under-Secretary of State for Wales, the hon. Member for Aberconwy (Guto Bebb), has already said that he thinks the Government should apologise to everyone in Wales who read the 2015 Conservative party manifesto, and I thank him for his apology to me and others. However, I would rather that the Government reversed their tax hike and scrapped the tax.

We all remember the Tories’ 2012 “omnishambles” Budget—remember the one?—when the Government decided to declare war on caravanners, churches, stately homes and even the humble Cornish pasty. Well, that will seem like a picnic compared with the consequences for the country now. It is high time that the Government listened to the voice of the ordinary self-employed workers, strivers and entrepreneurs in our community. It is high time that the Government listened to those women who have worked so hard right through their life and have contributed so much to society. And it is time that this Government acted in the interest of fairness, listened to our communities—rural, suburban and urban—and recognised that they must now restore fairness by doing a U-turn on this ridiculous tax hike for self-employed people and by giving some decency to the people in this country.

5.14 pm

Graham Evans (Weaver Vale) (Con): It is a pleasure to speak in this important debate and to follow the hon. Member for Clwyd South (Susan Elan Jones). Hers is a fine constituency in north Wales, an area I know particularly well because it abuts my own county of Cheshire. She will know how closely Cheshire MPs work with her and her colleagues in north Wales to benefit the wider economic zone. MPs in Cheshire and north Wales should work together for the betterment of all our constituents. I would like to think that the Budget goes some way towards enabling us to raise tax in infrastructure that benefits our cross-border constituents.

Against a backdrop of global uncertainty, and as we start our negotiations to exit the European Union, the Budget takes forward our plan to prepare Britain for a brighter future. Nine years ago, the UK was one of the economies worst prepared to face the financial crisis; today, it is one of the best prepared. The OBR forecasts that the UK economy will grow by 2% in 2017. That figure has been revised up from the 1.4% forecast in November. The economy will be growing faster than every major economy in Europe, except Germany’s.

Any family could sit around the kitchen table and tell us that we cannot keep on spending more than we bring in; the same holds true for the Government. There is no magic money tree. Britain has debt of nearly £1.7 trillion—almost £62,000 for every household in the country—and we must never forget that, under Labour, £1 in every £4 that was spent by the Government was borrowed.

Mr Stewart Jackson (Peterborough) (Con): Does my hon. Friend agree that it ill behoves the Opposition to oppose every spending reduction over the past 10 years,
including every reduction in welfare spending, yet also to make completely uncosted promises that amount to £63 billion?

Graham Evans: My hon. Friend is absolutely right. In the previous Parliament, the Opposition opposed every single reform made by the then Government, and they have also opposed all the reforms of the current Government. They call our approach austerity; I call it living within one’s means. We have to take the difficult decisions. Judging by the £30 billion black hole in the Opposition’s counter-proposals, however, they have forgotten the mistakes of the past.

Callum McCaig (Aberdeen South) (SNP): While talking about the need to balance the books, the hon. Gentleman made a bizarre analogy comparing the country with a family. When he is sitting at the dinner table, can he raise interest rates, print money and quantitatively ease? His analogy is completely and utterly defunct.

Graham Evans: I did not catch the hon. Gentleman’s final word, but I use that analogy because when I was at school we used to have home economics, and we have to make difficult decisions at home. I was merely making the point that we all have difficult decisions to make. That analogy applies not only to families throughout the country, but to the Government. I am sorry that the hon. Gentleman does not feel it is a good analogy. Perhaps I shall wait to hear his speech and comment on it.

I welcome the Chancellor’s steps to return balance to the country’s finances and to continue the Government’s commitment to take the lowest earners out of tax altogether by raising the personal allowance to £11,500. I sat on the Work and Pensions Committee in the previous Parliament, when the Government’s mantra was helping to make work pay. That is the right course of action to take.

I come to a subject that is very close to my heart, and I declare an interest as the chairman of the all-party group on beer. I welcome the relief of £1,000 for pubs with a rateable value of less than £100,000, which will benefit 90% of pubs. I also welcome the discretionary fund, which enables local authorities to make awards to businesses in their areas on a case-by-case basis. However, I am somewhat disappointed about the inflationary rise in beer duty, which is now 43% higher than it was a decade ago, 13 times higher than the rate in Germany, and significantly higher than those of our major brewing neighbours in Europe. None the less, the Government do have a proud track record of three reductions in beer duty, a beer duty freeze and the removal of the hated beer duty escalator. Although I welcome the introduction of duty bands to target high alcohol-by-volume white ciders to encourage responsible drinking, it is important to remember that 70% of the drinks bought in pubs are beer.

The current bracket for reduced-rate beer sits at 1.2% to 2.8% ABV. However, current HMRC duty receipts demonstrate that, in the six years since the policy was introduced, such beer represents just 0.15% of the market. I know that the Minister will be aware of the cross-industry campaign to split general beer duty rate into two tiers—2.8% to 3.5%, and 3.5% to 7.5%—and to reduce the duty rate for 3.5% ABV beers, which have much less alcohol in them than the UK average and are highly drinkable for UK consumers. I hope that we can work together on this matter over the coming month to encourage a broader selection of lower strength beers to become part of the norm in UK drinking culture. I will be encouraging the industry to step up to the plate with lower strength beers that can be drunk and enjoyed in the great British pub.

This Government have a plan to build an economy that works for everyone, and the Budget continues with that plan by building on the foundation of our fundamental economic strength. It makes sure that our economy remains strong so that we can properly fund our public services, it helps ordinary working families to make ends meet, and it makes it clear that Britain is open for business.

5.21 pm

Nick Thomas-Symonds (Torfaen) (Lab): I am afraid that, with this Budget, we have plenty of empty luggage and no flamboyant labels—even those have now gone.

There was certainly no vision in the Budget for what post-Brexit Britain should look like, and neither was there anything about tackling some of the very fundamental problems that our economy will face over the next few years. Nowhere is that better illustrated than in the approach that was taken to the self-employed in this country. There are 4.6 million self-employed people in the UK today. Of course I am completely opposed to those unscrupulous employers who push people into self-employed status to avoid the duties involved in employing them. However, the reality is that there are millions of people who are self-employed by choice. They have the flexibility that self-employment brings, but there has always been a trade-off. Self-employed people do not have the same access as employed people to pensions and our social security system. Having been self-employed for many years, I also know that they do not have absolute certainty over their income—they do not know how much money will come in from week to week.

The Tory answer to that, it appears, is to hammer the self-employed through national insurance contributions—I am talking about the rise in class 4 contributions. That is a breach of a manifesto pledge. I am not a regular visitor to conservatives.com, but I can tell Members that if they get the pdf version of the 2015 manifesto from that website, they will find on page 3, under the headline “While you grow older”, a promise that the Conservatives “will not raise VAT, National Insurance contributions or Income Tax”.

This policy is a flagrant breach of that manifesto promise. It is also incredibly short-sighted, because we should be looking at long-term policy solutions to ensure that we...
can help these 4.6 million people, who take great risks and are great entrepreneurs, to access our social security system and appropriate pensions. How must the self-employed feel about their treatment under this Tory Government? We all know that the Prime Minister likes to read the brief first. She likes to consider her position and then come out with her opinion, as she duly did on the self-employed. And what did she say? That they are “eroding” our tax base. What kind of comment is that towards the millions of self-employed people in this country?

I certainly agreed with the Chancellor’s words about parity of esteem between vocational and academic qualifications, and with the idea of T-levels. The problem was that as I listened to him speaking, I was reminded of somebody else—one who promised new university technical colleges and vocational training right across the board. I was struck to go and look up who that person was. What did I discover? It was actually the former Chancellor, the right hon. Member for Tatton (Mr Osborne), speaking on “The Andrew Marr Show” in March 2011. I think we can be sceptical about the ability of Tory Chancellors to deliver on vocational training, given that almost the same thing was said six years ago.

We have to look at the overall impact of the Budget. I commend to Ministers a document produced by the Resolution Foundation, appropriately called “Back to the ’80s”. It is a study of what will happen to working age incomes over the next four years as a consequence of Conservative policies. It tells us that those whose incomes are in the lowest quartile will be 5% to 15% worse off in the next four years. But what happens to people in the top quartile? They will be 4% to 5% better off over the next four years.

Although we live in an age of great political uncertainty, some things are still absolutely certain: water still flows, the sun will rise tomorrow; some things are still absolutely certain: water still flows; the next four years.

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I will say a little bit about education because there are real challenges in my constituency. Schools are facing a real squeeze. There are some figures that the Secretary of State did not give us in her opening remarks. According to the Institute for Fiscal Studies, thanks to the Lib Dem-Tory coalition Government and the current Tory Government, spending per pupil fell by 14% in real terms between 2010-11 and 2015-16, and is due to fall by a further 6.5% between 2015-16 and 2019-20. That is before the new schools funding formula hits many schools with more cuts. In the Liverpool part of my constituency, another £3.6 million will be lost as a result. According to the National Union of Teachers, there will, on average, be a further 10% funding cut by 2020 for schools in my constituency. That is threatening the future of many schools.

A letter I have received from the head and governing body of St Francis Xavier’s College in my constituency spells out the reality of the financial pressures it is under. It cites increases in the salary bill because of unfunded public sector pay awards; higher pensions and higher national insurance contributions; the removal of the education support grant in September this year; the apprenticeship levy, which is payable from April; and losses in per capita sixth-form funding. As a consequence, the college has reduced its leadership team and their salaries and lost 13 staff to voluntary severance, and it has six teaching posts unfilled. It says:

“We are extremely concerned about the potential impact of the forthcoming national funding formula. The impact of this is likely to make it impossible that the college can remain financially stable and this will have a detrimental effect upon the educational provision for pupils in a city which has amongst the highest levels of deprivation in the UK”.

This is a popular, over-subscribed school. I have written to the Secretary of State about the issue, but I have yet to receive a reply. I can assure her that SFX is not the only school in my constituency with these problems.

This situation is a disaster for our schools, but the Budget has made it worse, when it could have made it better. In divisive and unfair measures, the Government have set aside £1 billion to fund new free schools and the Prime Minister’s back-to-the-1950s grammar schools vanity project. They have also agreed to pay school transport costs for poorer pupils, but only those who attend selective schools. Young people who live in Halewood, in my constituency, who can no longer study for academic A-levels without leaving the borough are to get no such help, even though they are from some of the most deprived families in the country, and even though education could help to give them better life chances.
When I asked the Minister responsible for the school system, Lord Nash, what assistance the Government could offer to ensure that Halewood kids can get transport to study A-levels, he said in a recent letter:

“It would be unfair to offer free transport to young people in one area of the Country and not to others.”

Quite, but that is precisely what the Chancellor has just done in his Budget—although only if pupils are attending a divisive selective grammar school. How typically Tory. The Chancellor has offered Halewood kids who want to study A-levels precisely nothing, because he is spending all the money on recreating the Prime Minister’s 1950s grammar school myth.

That is why Labour, in office, banned grammars, put money into rebuilding all our schools, doubled funding per pupil, and employed 36,000 more teachers and 250,000 teaching assistants. After seven years of the Lib Dem-Tories or the Tories, our schools are in crisis.

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5.32 pm

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): I want to focus on the need to boost skills and jobs in our country, especially in manufacturing, following last week’s Budget. That is especially pertinent as we begin the process of leaving the EU.

It is unsurprising that, in a constituency-wide Brexit listening exercise I conducted, Nissan, which is based in my constituency, dominated, especially in terms of trade, investment, jobs and skills. Last week’s Budget was the perfect opportunity for the Chancellor to lay the foundations for strong economic growth that is resilient to any storms we may weather during the EU negotiations, but, sadly, we were left wanting. The announcements we did get on skills did not go far enough, and they must be placed in the context of the Government’s wider approach to education and skills.

Since 2010, we have seen the further education budget cut by 14% in real terms. That is a cash reduction from £3.18 billion in 2010-11 to £2.94 billion in 2015-16. That is compounded by the fact that the non-apprenticeship adult skills budget has been depleted by 54%. However, that negligent approach by the Government has not scuppered the innovative work by great employers in my constituency. Only last Friday, I was honoured to open Unipres’ new training academy, which will help to boost the skills of our local workforce by offering much-needed apprenticeship opportunities in engineering and manufacturing. It goes without saying that manufacturing is symbiotic with the north-east. We are the country’s makers and builders—I am pleased that the hon. Lady represents! My understanding is that one of the reasons Nissan decided to stay in her constituency is the fantastic institute in my constituency. Does she agree that she has mentioned, right down to small and medium-sized enterprises such as AdFab Ltd, Washington Components, and PFF Packaging—depend on the Government strengthening their approach to skills and jobs. This is especially important with Brexit on the horizon.

There is one way in which Ministers could easily help to bolster our manufacturing, not only in the north-east, but across the country—through catapults. I am not talking about the ancient war machines but instead “a network of world-leading centres designed to transform the UK’s capability for innovation in specific areas and help drive future economic growth.”

A number of catapults have been started across the country, yet there seem to be none for materials. This means there is no support for the innovation and development of materials such as steel, ceramics, glass and plastics, all of which are crucial to the dominant industry in Sunderland—the automotive sector. If we were to see a catapult for materials like the industry-supported proposal by the Materials Processing Institute in Redcar that received cross-party endorsement in January from the all-party parliamentary group on steel, this could have a positive impact on the whole of the manufacturing industry. However, it would especially help the Nissan supply chain, which Nissan has said needs re-powering.

**Anna Turley**: I appreciate my hon. Friend mentioning the fantastic institute in my constituency. Does she share my concern at a story on *WalesOnline* last week saying that Swansea is predicted to receive £80 million for a steel science centre that would almost directly duplicate the work that is happening at the MPI in Redcar and could then impact on the Nissan supply chain that she mentions?

**Mrs Hodgson**: I do not want to take anything away from Wales, especially with colleagues from Wales in the Chamber, but duplication does not make any sense, especially when there is so little funding around, and we definitely do not want to take any support away from Nissan. I am pleased that my hon. Friend made that point.

Currently, only a minority of parts used to build a Nissan car are made here in the UK, through a 38,000-strong supply chain workforce across the UK, with 27,000 of those jobs based in the north-east.

**Graham Evans**: What an exciting constituency the hon. Lady represents! My understanding is that one of the reasons Nissan decided to stay in her constituency is the cluster of battery technology companies. Is that true?

**Mrs Hodgson**: Yes—I am pleased that the hon. Gentleman makes that point. Electric battery technology is going from strength to strength. I was very pleased to see that there was an announcement on electric vehicles and battery technology in the Budget.

However, we see a predicament looming on the horizon as we begin to leave the EU—WTO tariffs. Ministers have given countless reassurances that we will strike a deal with the EU that does not mean we have to fall back on the 10% WTO tariffs. Yet only this weekend...
this was blown out of the water when a leaked document showed the Prime Minister’s willingness to fall back on those terms, regardless of the economic impact they may have. That was then reiterated by the Foreign Secretary on TV, also over the weekend. This would be catastrophic not only for the country but for my constituency and the businesses there. In the case of Nissan, falling back on to WTO tariffs and crashing out of the customs union would cause significant delays on products coming into the country that they rely on.

Another issue is that overseas parts currently used to build Nissan cars would have to be reduced significantly to meet the WTO rules of origin. The Society of Motor Manufacturers and Traders has said that cars need to have 50% local content to meet the rules of origin and be classed as British-made, and that could prove a major problem for Nissan. This is where the materials catapult comes into play. Not only would it reinvigorate the supply chain with innovation, especially in skills and jobs, but it could act as a way to mitigate the issues arising from the potential impact of WTO tariffs on manufacturing. I cannot make this point strongly enough. If we take the case of reducing overseas content in Nissan cars, it could significantly boost the UK manufacturing. I cannot make this point strongly enough arising from the potential impact of WTO tariffs on manufacturing. I cannot make this point strongly enough.

of the customs union would cause significant delays on products coming into the country that they rely on. The Chancellor showed the Prime Minister’s willingness to fall back on to WTO tariffs and crashing out of the country is just about to embark on the most important negotiation since the end of the second world war, but the Chancellor barely mentioned Brexit. The disabled Negotiations since the end of the second world war, but the Chancellor barely mentioned Brexit. The disabled negotiation more than the last Labour Government did in 13 years. The second point relates to the whole issue of social care. In light of the cost of tax cuts, no wonder there is no money for adequate social care. Depriving old people of the care they need is causing widespread misery and placing additional pressure on an already overstretched NHS. The Chancellor could have announced measures to fully fund social care and help to restore funding for local government; instead, he offered only £2 billion over the next three years. The Government are giving the care sector only half of what it actually needs, and of course we must all remember that the Government have cut £4.2 billion from social care budgets since 2010. My constituents might not have been aware of the figures, but they know what they see with their own eyes. They understand that the Government take with both hands and give back with one, and quite frankly, they are not impressed.

My third and final point is in connection with the Government’s proposal to spend millions of pounds on new grammar schools to the detriment of schools that already exist. Under the new school funding formula, funding is set to be cut in Burnley and Padiham by over £400 per pupil. So much for a Government who say they want all children to have a good education. In Burnley, we are already seeing increased class sizes, subjects being dropped from the curriculum, pupils with special educational needs and disabilities losing vital support and teacher and school staff vacancies being left unfilled or the posts cut altogether. The introduction of grammar schools will not help existing schools in Burnley, nor will it do anything for social mobility. In spite of the Prime Minister’s grand promises, this Budget and this Government have once again failed to deliver for my constituents.

5.40 pm

Julie Cooper (Burnley) (Lab): I want to put this Budget into context for my constituents. We have a Government who have borrowed more in seven years than the last Labour Government did in 13 years. The deficit that we were told would be gone is still there. The country is just about to embark on the most important negotiations since the end of the second world war, but the Chancellor barely mentioned Brexit. The disabled who are desperately trying to gain employment are to have their incomes cut by close to a third next month. Children who are unlucky enough to be the third child in a struggling family will suffer as the withdrawal of child tax credit pushes another 600,000 children into poverty. The truth is that many families are just not managing, and all they have to look forward to is years of austerity stretching far into the 2020s.

But it is all okay: we do not need to worry—because inheritance tax is to be reduced. I wonder whether the Chancellor knows how many people in my constituency are likely to benefit from a cut in inheritance tax. I have checked: last year it would have been six people, while this year it is eight—not even into double figures. It is obscene to take from the disabled and from those struggling to make ends meet to give to the richest households in the land.

I will turn to some of the announcements made on Budget day. The first concerns the increase in national insurance for the self-employed. The changes to national insurance contributions for the self-employed, taken alongside the cut in corporation tax, tell my constituents all they need to know about this Government: increased costs for small business, and reduced costs for big business. There are over 4,000 self-employed people in my constituency, and they will all be worse off despite the fact that the 2015 Conservative manifesto promised that national insurance contributions would not be increased. There can be no justification for any of this. If the Government are serious about tackling the deficit, why are they cutting taxes for the richest? By 2022, cuts to the banking levy, capital gains tax, inheritance tax and corporation tax will have cost the taxpayer another £70 billion. I repeat: it is obscene.

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5.44 pm

Heidi Alexander (Lewisham East) (Lab): There is much that I could say about last week’s Budget, but given the time constraints I will limit my remarks to the specific topic of today’s debate, education and skills.

In recent weeks there have been protests in my constituency, as there have been across the country, against cuts to school budgets. Parents have taken to the streets, concerned about fewer teachers and support staff, reduced curriculums and fewer opportunities for their children. So what good news did last week’s Budget contain for those concerned mums and dads? The answer is, very little. Ministers ramped up their grammar school rhetoric and made a lot of noise about being on the side of aspiration, and they hoped no one would notice that they have no real solutions for the schools that are struggling most.

The Government’s education policy is nothing more than an aspirational mirage, with £320 million allocated for up to 140 new free schools, 30 of which will be open
by September 2020, some of which could be grammars. That sum of £320 million may sound like a lot of money, but in the grand scheme of things it is not. In Lewisham, Building Schools for the Future, under which nine secondary schools and two special schools were rebuilt, was a £285 million programme. That was in just one borough in one city.

Richard Graham (Gloucester) (Con): Is the hon. Lady aware that there are possibilities for university technical colleges within the budget allocation for free schools? That will enable a constituency such as mine to go ahead with a proposed new health UTC, which will help a huge number of young people to work in the NHS in future. Does she think that is constructive?

Heidi Alexander: I am grateful to the hon. Gentleman. I am not sure whether he was in the Chamber earlier for the speech by the former shadow Education Secretary, my hon. Friend the Member for Manchester Central (Lucy Powell). She pointed out that some of the evidence on UTCs is dubious at best.

As I pointed out, the Building Schools for the Future budget in Lewisham was £285 million to rebuild 11 schools. The budget for grammar schools for the whole country is £320 million. The revolution in education that the Government speak about is a chimera. They want to play politics instead of addressing real problems. I do not think a penny of extra money should be spent on new grammar schools. I have read the research that shows that there is no aggregate improvement in outcomes in areas that operate selection, and I have seen the impact of selection in my own family. My own mum, as bright and capable as anyone in this Chamber, was told when she was 11 that she was not good enough, that she was a slow learner and that she was not academic. She believes that to this day.

I strongly and fundamentally believe in our comprehensive system. We should teach children of different backgrounds and different faiths, with different abilities, in the same schools—we can stream in secondaries, but no academy sponsor seems interested in taking the school on. This has been dragging on for more than two years.

What is the Government’s answer for schools like Sedgehill? What is their answer to the parents who ask me whether their school is one of the many so-called orphaned or untouchable schools they read about in the papers, for which academy sponsors cannot be found? It is an absolute disgrace. An academy sponsor cannot be identified, revoked the academy order and put in place a tailored package of support for the school. Focus on what is going on inside the classroom, not on the sign outside the school gate. Do not blame the local authorities, either. Councils have been emasculated by central Government in recent years and stripped of resources, leading to the loss of school improvement services. They have been stripped of the ability to open new schools of their choosing and stripped of any real power to sort things out when they go wrong.

I am fed up with listening to Ministers talk about grammar schools when they have no answer for schools like Sedgehill. I do not want teachers to be asking me why the parent teacher association is raising money for photocopier paper rather than for the luxuries it used to raise money for. I do not see how anything in the Budget, or anything that the Government are doing in education, will equip all children with the skills, knowledge and confidence that they need to succeed in the increasingly competitive, complex and fast-moving world we now live in.

5.51 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): First, Mr Speaker, let me give you an apology for missing Business, Energy and Industrial Strategy questions earlier today. I was suitably admonished by you and by people at home.

I want to focus on a couple of issues: the Chancellor’s assault on the Scottish whisky industry and the ill thought out increases in national insurance contributions for the self-employed. Let me declare an interest as the Member for West Dunbartonshire—a constituency that is home to two well-known distilleries, Auchentoshan and Loch Lomond, and that has seen massive investment over recent months in a new bottling plant by Chivas Regal—the House will understand why I have strong reservations about the impact of the Government’s decision to increase excise duty on spirits by 3.9%. That money grab has been described by Loch Lomond distillery as a “spectacularly poor decision by the chancellor” and by the Scotch Whisky Association as a “major blow” to the industry which will undermine the progress that the industry has made in recent years. I therefore urge the Chancellor to use the opportunity to carry out an urgent review of the UK’s alcohol taxation system to give the industry—described by the Prime Minister only a week and a half ago as “a truly great Scottish and British industry” —producing “the world’s pre-eminent spirit”—the support it requires to remain competitive in this vital global market.

I turn from the ill thought out increase in excise duty to the potentially disastrous impact on the self-employed of the increase in class 4 national insurance contributions
by nearly 11% over the next two years. In my constituency, the local community and economy are built on a strong foundation of small businesses, and I have serious concerns—similar concerns have been expressed by many Members in the House—about the long-term impact and pressure of these increases on small businesses.

In a briefing that it sent to my office, the Federation of Small Businesses Scotland voiced its concerns about the proposed policy and stated:

“The risk that the self-employed face makes them fundamentally different to employees. This is why the proposed National Insurance tax grab on this group is an absolute kick in the teeth, just at a time when we need to create more entrepreneurs, not fewer.”

The fact that Members on the Chancellor of the Exchequer’s own Benches do not support this policy—we hear them in the Lobby all the time—sends a strong message to the Chancellor and the Treasury that the business community must be understood and consulted before any drastic changes are made. There is still time for the Chancellor to see sense and give small businesses the respect and support they deserve. To fail to do so would be a dereliction of duty and a show of no confidence in those who ensure that the economy is built on a strong base.

Finally, the utter failure in the Budget to even mention the WASPI women shows that the Treasury has failed to grasp the reality facing women born in the 1950s: poverty, destitution and a political state unwilling—not unable, but unwilling—to offer them equality in the 21st century.

5.55 pm

Callum McCaig (Aberdeen South) (SNP): As the Scottish National party’s spokesperson on business, energy and industrial strategy, may I too admonish my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) for missing Business questions this morning? Nevertheless, I agree wholeheartedly with what he says on whisky duty, national insurance and WASPI women. I will come on to talk about national insurance contributions in a moment.

The Budget was dressed up as something a little bit different and a little bit bland. It really was bland, but parts of it did not ring true. The Chancellor seemed to think he could demonstrate that Tory austerity has not been felt most keenly by those who do not have the means to bear it. That may be true if we look at it in a very narrow sense—the top 10% of earners, when all things are taken into consideration, have borne a slightly greater share—but the lowest three deciles have borne a similar percentage decline in their income as a result of the Government’s policies. It may be easy to say that those in the top decile have taken the greatest hit, but the story is that a 1% or 2% fall in income will mean considerably more to those in the bottom three deciles than it will for those in the top 10%.

The Chancellor said in his Budget speech:

“As a result of the changes we have made since 2010, the top 1% of income tax payers now pay 27% of all income tax.”—[Official Report, 8 March 2017; Vol. 622, c. 813]

He wears that as a badge of pride, but that is not an indication of a fair society. It is the very opposite and it demonstrates that we live in an incredibly unfair society where 27% of income tax is being paid by 1% of the population. That is because they earn, unjustifiably, more than the rest of the population. That is not a badge of honour; that should be a badge of shame for this Government.

We have heard talk about how the Government want to use technical education and reforms in the Budget to put entrepreneurship and technical skills at the heart of the British economy, yet the single key announcement in the Budget was the change to national insurance contributions for the self-employed. They are the entrepreneurs. They are the folks with the technical skills we need in our economy. As we have heard from Member after Member today, those people do not enjoy the same benefits and protections enjoyed by those of us who are employed. That is why they deserve a differential in terms of their national insurance contributions. To dress this up as anything other than a naked tax grab is entirely disingenuous. This will not help our economy and it is coming at precisely the worst time. It must not just be stopped, but cancelled entirely.

The most disappointing aspect of the Budget for me was the utter silence on the energy challenges we as a country face. Next to nothing was said on renewables. There was nothing on how we decarbonise our economy. There was nothing on how we tap the massive potential in Scotland, particularly in our rural communities. There was nothing on how we can get contracts for difference for our island communities or how we tap the massive potential of our tidal streams. We heard nothing on the implementation of carbon capture and storage, which we will need if we are going to be able to afford, in both a financial and technical sense, to meet the carbon budgets we as a Parliament agreed.

Hannah Bardell rose—

Callum McCaig: I will not give way, as others still wish to speak.

The privatisation of the Green Investment Bank is pushing ahead at precisely the wrong time. As part of this, I hope that the Government will reflect on the challenges they face and cancel that sale.

Oil and gas has raised its head as an issue, given the changing dynamic in Scottish political debate. In 2014, the then Prime Minister promised Scotland a £200 billion oil bonanza if we voted no. He told us that the industry relied on the broad shoulders of this United Kingdom. Well, those shoulders have barely shrugged in defence of the 65,000 people, many of them in my constituency, who have lost their jobs while the Government have been asleep at the wheel.

I and my party will take no lectures from folks over there on the oil and gas industry. We have seen an absolute dereliction of duty; the Government have been asleep at the wheel. This Budget provided an opportunity to right that wrong, but what did the Government do? Did they come forward with the exploration incentives that the industry needs? No, they did not. They simply reheated a previous commitment from the last Budget and said that they would set up a discussion group. Frankly, that is not good enough. When people are losing their jobs, it is not enough to sit down and have a chat over a cup of tea. An independent Scotland would undoubtedly have acted; it would have acted swiftly and decisively to save these people’s jobs.
6.1 pm

Vernon Coaker (Gedling) (Lab): At the heart of all the great Budgets and all the great policy statements is a vision backed by policy. The theme of today’s Budget debate is education. We heard the Secretary of State speak at great length about one of the main problems that has beset every education system in our country for decades: the link between social background and educational attainment. It is one thing to talk about it, but another to address it with policies that will work. For most of us, seeing the Government return to the failed policies of the past to try to address that is a great mistake.

The idea that the issue of social background and educational attainment can be solved by the return of grammar schools—they might have benefited a few, but did so at the vast expense of the majority of young people in an area—is totally and utterly unacceptable. Indeed, the Government have had problems with their own Back Benchers in putting forward that policy. I say to the Government that, yes, we all agree with tackling the link between educational attainment and social background, but not by returning to selective education—essentially to the 11-plus.

It is clear that Education Ministers went to the Treasury—I see on the Government Front Bench the Chief Secretary to the Treasury—and said that the National Audit Office was predicting a £3 billion or 8% real-terms cut in the Department’s budget by 2020. That is not defensible. Conservative Members will not have on their leaflets all the cuts that will be made to the schools in their constituencies; they will say, “Don’t worry, I will write to the Minister about this”, as though it somehow happens without the Government’s decision. The Department for Education has failed in its attempt to get the Treasury to stump up more money to pay for our schools. As a consequence, there will be a reduction in funding for virtually every school in the country, and large numbers of teachers will be made redundant or not employed in future. That is the reality of the Government’s policy on education.

My own Gedling constituency will see cuts of £5.6 million in real terms by 2020—the equivalent of 139 teachers. In Nottinghamshire, it amounts to nearly £40 million-worth of cuts. Local Conservative candidates at elections somehow pretend that it has nothing to do with them and object when we point out that it is their own Government who are doing it.

We face a crisis in teacher recruitment and retention, too. At the heart of any policy whose aim is to raise attainment in some of our most difficult schools are good teaching and good head teachers: they are absolutely fundamental. Over the last few years, until fairly recently, every policy has recognised the need for such provision and has tried to ensure that it happens. However, teacher recruitment and retention are now under threat. Some schools are unable to recruit staff to teach certain specialist subjects, and some are even reflecting on whether they have enough staff to enable them to deliver a full curriculum over a full number of school days.

Let me say something to the Minister about T-levels. Every Government for decades have called for parity of esteem between academic and vocational education. The question that the present Government need to answer is this: how will the T-level policy initiative differ from all the other policy initiatives that have gone before?

There has been talk about quality work experience and parity of esteem, but there is a problem that the Government have not addressed and we all need to address. It is a cultural problem: vocational education is not seen as having parity with academic education. When the Government decide what constitutes a good school, they do not say, “This is a good school because of the number of people it gets into high-quality vocational education post-16.” They judge that school on the basis of academic results. If we are judging our schools purely on the basis of academic achievement, is it any wonder that vocational education is sometimes regarded as second rate when it should not be?

I believe that there should be a national crusade. We need to make clear that there is a cultural problem with vocational education, and that we must change attitudes to it if we are ever to deliver the high quality that we need. There are skills shortages in various industries throughout the country—in Scotland, in Northern Ireland, in Wales and in England. The Government must explain how what they are proposing will differ from many of the sound and well-meaning policy objectives that we have seen before.

6.7 pm

Helen Whately (Faversham and Mid Kent) (Con): A few weeks ago I joined a Faversham care worker, Kim, on her rounds. When I joined her at 7.30 in the morning, she had already started washing her first client. That lovely lady needed Kim’s help to get up, get washed and dressed, and have breakfast. So many of us take such things for granted, but there is a time in life when people need help, especially if they suffer from disabilities, as she did.

I spent that morning with Kim because I wanted to see for myself the challenges presented by social care. In my constituency, we have an acute shortage of domiciliary care. Care agencies tell me that they simply cannot recruit enough staff to meet the demand—at least, not at the rates that they can pay. Age UK Faversham tells me that people are going without care who desperately need it, and the local hospitals tell me that at any time about a third of their patients would be better cared for somewhere else.

Kent County Council has made huge efforts to protect frontline care while efficiencies have been achieved, but in my part of Kent it seems that the care system is only just managing, and there are similar stories across the country. That is why, before the Budget, I asked the Chancellor if he could find extra money for social care. I know that I was one of many, and I am grateful that we have been heard. The Budget will give social care £2 billion more over the next three years, of which £1 billion will be available in 2017-18. For Kent that means an extra £26 million this year, more than double what it is expecting to raise through the social care precept. That will make a real difference. Also welcome are the £100 million to fund more GPs at A&E departments—which, as we know, are a hospital pressure point—and the £300 million of extra capital funding for sustainability and transformation plans.

There is no escaping the fact—about which the OBR is very clear—that the need for health and social care will rise, and costs will rise with it. The number of over-85s is set to double in the next 15 years, and there are some worrying trends among much younger people—for
instance, people in their 60s—who are living with complex life-limiting conditions. The money to care for those people has to come from somewhere, but it should not come from adding to the debt to be paid off by future generations, or from the tax changes that have been proposed by some Opposition Members, which have not been thought through and could result in reduced tax revenue to pay for the costs of care.

The best way to pay for the increasing costs of care is to have a strong and growing economy. I welcome the fact that, with its proposals for investment in infrastructure, skills and education, the Budget has boosting productivity at its core. However, we also need to adapt to changes in the nature of work that are already happening. As the Secretary of State said earlier, jobs are changing fast. About 60% of the jobs that today’s schoolchildren will do have not even been invented yet. More people are choosing to be self-employed or finding work in the gig economy. More businesses are moving online. The tax system needs to respond.

I fully recognise the extra risks and insecurities for the self-employed and entrepreneurs—I am married to one—and I hope that the Taylor report that is due in the autumn will address some of the insecurities of modern work, but there is an enormous imbalance between the contributions made by people in employment and those made by the self-employed, particularly when one adds in national insurance contributions paid by employers. Many business models have developed simply to take advantage of that tax differential and, in the process, the rapid rise in self-employment is eroding the tax base. That simply has to be addressed. We will all get old and may need care one day, so we all need to contribute to paying for that.

I look forward to the planned Green Paper on future social care funding. We need a funding system that means providers of care will invest in facilities and especially in the workforce, because the people who provide care are at the heart of this. It was such a privilege to spend time with Kim in Faversham and to see what she did for the people she cares for. We must ensure that no one has to worry whether they will get the care that they need, when they need it.

6.12 pm

Hannah Bardell (Livingston) (SNP): Last week, the Chancellor delivered his Budget on International Women’s Day, a day when women, and men, across the world celebrated women and their contribution to society, and highlighted how important it is to have an inclusive, gender-balanced workplace. I cannot think of a better day for the Chancellor to show how much we value the contribution that women make to the economy. Instead, he used his Budget to continue the hard Tory austerity policies that disproportionately affect women, men and their families across the country.

We know that women are affected twice as hard by this Government’s dangerous obsession with austerity. It is clear that Tory austerity is gendered because cuts to public sector jobs and an increase in temporary and zero-hours contracts affect women the most. Women make up the majority of workers living in poverty, with many juggling two or three low-paid, part-time jobs as they try to make ends meet. Where is the help that they so desperately need to scramble from just about managing to being able to provide for their families without the fear and stress of ever-shrinking household budgets?

The Chancellor started his speech by talking about preparing for a “brighter future”, but I have to ask him and his colleagues: in what parallel universe is the future bright for the 300,000 children who will be forced into poverty as a result of his refusal and that of his colleagues to stop the cuts to the work allowance? That is despite a report from the Resolution Foundation only this month warning that the Tory Government’s tax and social security policies would “drive the biggest rise in inequality” since Thatcher. I grew up in a single-mother family under Thatcher and it strikes me that, sadly, not much has changed.

It is both sad and ironic that, on the same page of the Budget document, the Government give money to tackle domestic abuse—a welcome move—yet refuse to take action on the punitive two-child limit and to scrap the repugnant rape clause. As the Chancellor spoke about this “brighter future”, hundreds of WASPI campaigners, including women from my Livingston constituency, protested outside Parliament—and still he failed resolutely to outline a single measure to tackle state pension inequality. Those women worked hard for their bright future, and this Tory Government are extinguishing it.

The cuts that have been announced will mean that Scotland’s day-to-day budget will be a massive £1 billion worse off. By 2020, Scotland will be £2.5 billion worse off in real terms. The IFS forecasts that austerity could last until the middle of the next decade, meaning that Scottish households and public services could ultimately face 15 years of UK Government austerity.

A separate report from the IFS this month projected that child poverty would increase to 30% by 2021-22, and said that this is “entirely explained by the direct impact of tax and benefit reforms”. Let us not forget that only a few months after the Tory Government came to power, they scrapped child poverty targets, and that came just before child tax credit cuts. What a shameful way to start their time in government. This Government and this Chancellor had a chance to reverse that, and he did nothing.

I ask the Government to tell us why they brought forward nothing to reverse the punitive cuts that will hit mid-low income families? Why has the Chancellor done literally nothing to protect millions of children from the prospect of poverty? The Resolution Foundation found that the poorest quarter of working-age households will be between about 5% and 15% worse off, and says that this “is the worst period of household income growth for the poorest half of households since records began in the mid-1960s”—and that is before the swingeing cuts that are due to hit, and before Brexit.

The Chancellor told us that his Budget “continues the task of getting Britain back to living within its means.”—[Official Report, 8 March 2017; Vol. 622, c. 809.] I am sure that there are thousands of families across the country who would love to have the means within which to live, but they do not, and they are simply struggling, every day, because of the punitive measures of this Government.
What would the Chancellor tell lone parents on universal credit, who will on average lose £2,380 a year? The End Child Poverty coalition has said:

“The impact of the benefit freeze, in the context of rapid price rises, has a dramatic effect on family incomes. Families on a low income simply cannot afford to pay the increased prices” that will result from this Government’s policies.

A hard Tory Brexit remains the major threat to Scotland and our economy. Brexiteers will claim that revised figures on debt, GDP and borrowing show that the negative effect of Brexit has been exaggerated, but it has not happened yet. The Office for Budget Responsibility has said that there has been no structural improvement in the public finances and forecasts for the next five years remain virtually unchanged. The impact of a hard Brexit is yet to be felt.

Amidst the utter chaos of a hard Tory Brexit, the change for entrepreneurs and the self-employed is going to be devastating. The SNP wholeheartedly believes in flexible labour markets, but that flexibility must be guarded against vulnerability. Some self-employed workers in the UK, particularly those on low incomes, do not enjoy the same guarantees as other people, as we have heard.

This Budget was an opportunity to do the right thing to support women and low-income families, to boost business and to put an end to austerity, yet it is nothing more than an opportunity lost by this Government. This Government might see a “bright future”, but it looks more to me like the dark clouds of a perfect storm for the rest of us. Winter is coming, and Scotland is headed in a different direction—it will, I think, be a new dawn for us.

6.18 pm

Margaret Greenwood (Wirral West) (Lab): Education has a key role to play in breaking cycles of poverty, but we know, too, that poverty has a profound impact on a child’s ability to make the most of any educational opportunity available. Yet this Budget did nothing to tackle child poverty, which stands at about 4 million in this country—that is a shameful figure, and it is set to rise.

According to the Child Poverty Action Group, by the age of three, poorer children are estimated to be on average nine months behind children from wealthier backgrounds. Department for Education statistics show that by the end of primary school, pupils receiving free school meals are almost three terms behind children from more affluent families. By 14, the gap grows to over five terms, and by 16, children receiving free school meals achieve on average 1.7 grades lower at GCSE.

We know, too, that the early years are crucial for child development. Maintained nursery schools do an important job for children in their early years and many are struggling financially, yet the Chancellor chose to find £320 million for 140 new free schools. I strongly question his sense of priorities. Some 65% of maintained nursery schools are in the most deprived areas in the UK, and 97% of them are rated as good or outstanding by Ofsted. No other part of the education sector can match that, so their value cannot be in doubt.

Ganneys Meadow nursery school in my constituency has received outstanding judgments in its last three Ofsted reports, and it provides a vital service to families in the local community. Around 20% of the children there have special educational needs or a disability, including autism, epilepsy or mobility problems. The families of a number of the children are on low incomes, and some of the children might be quite vulnerable. The school gives those children the very best start in life, yet despite that service, based on the specialist expertise of highly qualified, trained teaching staff, it is funded at the same rate as all childcare providers. Local authorities can top up that funding, but we all know that they have had their budgets severely cut by central Government.

The Government have announced extra funding for nursery schools but, in practice, schools such as Ganneys Meadow will see their overall income rise by only a very small amount, and they will remain financially squeezed. If the Government are really serious about improving the life chances of the most disadvantaged children in our society, they should back the maintained nursery schools and ensure that they get the funding that they need to secure their future. At secondary school level, funding per pupil in my constituency is expected to fall by 10% between 2013 and 2019, which will mean a loss of £309 per pupil in cash terms between 2013 and 2019. That will inevitably be to the detriment of pupils’ education and staff morale, and it is wholly unacceptable.

The arts in education are particularly at risk at the moment. Uptake of creative subjects at secondary level fell by 14% overall between 2010 and 2015, and the Government have so far failed to respond to the consultation on the future of the English baccalaureate, which included a consideration of the place of arts subjects in the core curriculum. A survey of teachers by The Guardian in January found that 9% of respondents reported that either art, music or drama was no longer offered at their school. About 20% said that one or more of those subjects had been given reduced timetable space. Yet studies here and in the United States have shown that students from low-income families who have the opportunity to engage in the arts at school are significantly more likely to go on to get a degree and are also more employable overall, so these cuts to school funding really are damaging the prospects of our young people.

There are also real issues around adult literacy and numeracy. The latest Government studies, published in 2011, found that nearly 15% of 16 to 65-year-olds were functionally illiterate and that 23% of the people surveyed lacked basic numeracy skills. This is a real crisis, and the Government should tackle it as a matter of urgency, for the sake of not only the individuals involved but their families. When we educate the mother or the father, we educate the child. We need real investment in adult education and lifelong learning. The Chancellor announced £40 million in funding for 2018-19 to test different approaches to helping people to retrain and upskill throughout their working lives, but there have been cuts of more than £1 billion in the sector since 2010. I also question the need for pilots. As a former teacher in adult education schools and someone who has close knowledge of the work of the British Education Research Association, I can assure the Government that there is plenty of expertise out there that they could tap into to put together a really robust programme of adult education and lifelong learning.

I also urge the Government to think beyond retraining and upskilling. Those are important in providing vital training opportunities to help people to move on in
their employment, but it is important to provide education for education’s sake. On TV, we see the huge popularity of programmes such as “The Great British Bake Off”, “The Great Pottery Throw Down” and “The Big Painting Challenge”. It is clear that there is a real interest in discovering arts and skills areas that might have nothing to do with employability, but everything to do with creativity and learning. I join my right hon. Friend the Member for Tottenham (Mr Lammy) in his call for the reintroduction of night schools. They are inexpensive places where people can learn and socialise, and they can help people to grow in confidence and make friends. They also provide an effective way of tackling social isolation. They can be quite transforming for individuals and communities, and I believe that they have a particularly important offer in our ageing society.

In the Prime Minister’s Lancaster House speech, when setting out the Government’s negotiation objectives for exiting the European Union, she said that the Government would aim “to build a stronger economy and a fairer society” in which “every child has the knowledge and the skills they need to thrive”. If the Government are sincere in that, they should make it a priority to fund early years education. They should also be ambitious in their plans for lifelong learning and make a real priority of tackling child poverty so that children are healthy and able to make the most of the educational opportunities on offer.

Several hon. Members rose—

Mr Speaker: Order. As I call the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss), I am sure that Members on both sides of the House will join me in wishing her a happy birthday.

6.24 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Thank you, Mr Speaker. This Budget is, at its heart, deeply unfair. It is full of broken promises and missed opportunities. I am a Sheffield MP. I love Sheffield. I grew up in Sheffield. I am extremely proud to represent its people in this place and that means standing up for them. Sheffield City Council has faced cuts every year for seven years, now totalling £352 million, and it will have to find another £40 million next year to balance its budget. Sheffield is a fantastic city with a strong industrial base. It is where stainless steel was invented, and I must put it on the record that Sheffield definitely drove the industrial revolution, no matter what others have said today. However, wages have fallen dramatically. In fact, shamefully, it was recently found that Sheffield is the low-pay capital of the UK. There is little in this Budget to help that.

The self-employed are the engine drivers of entrepreneurship, with many working at the cutting edge of technology. Self-employment in Sheffield has increased by 10% in recent years, showing our city’s entrepreneurial character. However, real wages among the self-employed have fallen faster than those of employees. For my constituents, the Chancellor’s £2 billion broken promise on NICs will have a serious effect on their livelihood. As I said, unfairness is at the heart of the Budget, which hits low and middle earners hardest, hurting working people in Sheffield, Brightside and Hillsborough. While increasing taxes for the most vulnerable in our society, and simultaneously choosing to do nothing about working standards for the self-employed, the Chancellor decided to cut taxes for the richest. Policy measures introduced by this Government since 2010 will result in over £70 billion in tax giveaways to big businesses and the super-rich over the next five years. Much has already been said about the contentious business rates revaluation, and pubs in my constituency will feel the pain of increased rates despite the headline-grabbing one-year-only discount. The British Beer and Pub Association forecasts that increases on beer duty will result in 4,000 job losses and more pub closures.

We know what to expect from this Government by now—they kick the can down the road—so the Chancellor’s speech naturally contained no mention of the industrial strategy, nothing for the struggling steel sector, and no mention of climate change. Social care is in a state of emergency due to cuts to local council budgets, with over 1 million vulnerable elderly people not receiving the care they need. The extra £2 billion for adult social care does not make up for the £4.6 billion in cuts over the last Parliament and believe me, councils in the north are not getting the same Surrey sweetheart deal on social care. The Chancellor had the opportunity last Wednesday to properly address the funding crisis, but he did not take it. He announced no money to deal with hospitals despite the £5 billion black hole in NHS maintenance. There are not enough GPs in the NHS, and cuts to nurses’ bursaries have led to a reduction in applications for nursing courses. A&E’s are in crisis, and waiting lists are soaring. Mr Speaker, forgive me if I feel that this is all too little, too late.

Ensuring a decent education for our children should be an absolute priority, not an afterthought. This Government promised to protect pupil spending but it has fallen in real terms after inflation—another broken promise. According to the National Union of Teachers, Fox Hill primary school in my constituency will be £1,003 worse off per pupil than in 2013, and Wisewood Community primary school will be £1,586 worse off per pupil over the same period. By 2019, per pupil funding will have fallen by an average of 11% from 2013 levels.

There are 1.5 million fewer adult learners than there were under the previous Labour Government, and adult skills training has been cut by 54% since 2010. Furthermore, the beleaguered further education sector has fared little better. According to the IFS, by 2020 per student spending will be only just above the level seen 30 years ago at the end of the 1980s.

It is ironic that the Budget fell on International Women’s Day. Tory cuts have disproportionately affected women and, sadly, the Budget does nothing to change that. The Budget hurts the self-employed, low earners and those on benefits while letting the richest off the hook. It is a divisive and unfair Budget, and the Conservatives are clearly not the party of the working people of Britain.

This Budget is, at its heart, deeply unfair. It is also a Budget full of broken promises and missed opportunities, and it will hurt my constituents of Sheffield, Brightside and Hillsborough.

Mr Speaker: The hon. Member for Wirral West (Margaret Greenwood) has subsequently advised me that it is her birthday, too. So again, on both sides of the House, we wish her a very happy birthday.
6.30 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): This Budget was a missed opportunity to help deliver confidence and growth. The OBR has stated that the future is uncertain and that any central forecast is most unlikely to be fulfilled, which is a damning statement as it is ultimately the Government’s responsibility to create certainty.

Brexit approaches us like an enormous black cloud threatening stormy weather, which is perhaps not all the Chancellor’s fault. After all, the Prime Minister sets the direction. As the storm approaches, in the modern parlance of giving names to impending storms, we should call it Storm Theresa. This Budget was another missed opportunity to deal with the unfairness of the steep rise in women’s pensionable age over too short a timeframe. That from a Budget delivered on International Women’s Day. The irony is not lost on the WASPI women.

As thousands of WASPI women demonstrated outside Parliament, making such a tremendous noise that we could hear them clearly in this building, the only man who apparently could not hear was the Chancellor—deaf to the legitimate demands of the WASPI women and desperately hoping that their calls for fairness and equality would go away. Well their calls will not go away. Like the message communicated last week, the volume is going to be turned up. The campaign is gathering momentum and the Government will have to listen.

Some 245 Members of Parliament have lodged petitions asking for action on the WASPI women. There was a debate in Westminster Hall on 9 February, and the Chair accepted the challenge that the House had not considered the effect of state pension changes on working class women after a woeful and disrespectful response from the Under-Secretary of State for Welfare Delivery, the hon. Member for Romsey and Southampton North (Caroline Nokes). The fact that, following the challenge from the hon. Member for Romsey and Southampton North (Caroline Nokes), the Government did not have the courage to respond is disgraceful. We will continue to pursue the matter.

Of course, the debate followed a Division in this Chamber on 1 December 2016 in which the House divided by 106 votes to two against the motion that this House had not considered the acceleration of the state pension age for women born in the 1950s. There has been no Government response to that vote. The Government are choosing to ignore the message that this House delivered.

In all our discussions on the Women Against State Pension Inequality Campaign, the focus has been on the 2.6 million women who are supposedly affected—the Government have continually referred to that number—but a freedom of information request that came to light last Friday now alleges that the actual number is not 2.6 million but 3.48 million women. If those reports are accurate, nearly 1 million more women than originally thought are set to miss out on their pension entitlement. It is absolutely outrageous if that is the case, and I ask the Minister to give us clarity on that matter in his summing up.

What is the figure, and why the discrepancy? Why at this stage do the Government not appear to know the exact number of women affected by the changes? We have had the farce of it taking successive Governments 14 years to communicate formally with any of the women affected, and this latest twist adds insult to injury. If the reports are true, how did the Government get the figures wrong? We need answers from them today.

The UK Government must recognise that pensions ought to be a contract, not a benefit. The Budget presented an opportunity for them to live up to that contract. It is clear that delivering fair pensions is not a high priority for the Government. With inflation spikes forecast, the Budget was completely devoid of any mitigating measures to future-proof pensioner incomes. We need a clear commitment that the triple lock will remain in place beyond 2020 and that mitigation will be put in place for the WASPI women. The SNP has already published a paper that explains how the Government can push back the timescales for increasing the pensionable age for women, at a cost of £8 billion in this Parliament. That is affordable, given the £30 billion surplus in the national insurance fund. Why did the Government not take that opportunity in the Budget? What is it going to take for them to act?

There is talk of another referendum on Scottish independence; I wish to make it clear that pensioners in Scotland would get justice and fair pensions from an SNP Government—things that are sadly lacking from the UK Tory Government—things that are badly lacking from the UK Tory Government. The OBR’s economic and fiscal outlook is a damning indictment of Government policy over the past few years and demonstrates the lack of vision from the Government on our economic future.

6.36 pm

**Sarah Olney** (Richmond Park) (LD): Every school in my constituency is facing cuts to its funding and rising costs. I speak to headteachers, all the time, some of whom have been in teaching for many years, and they tell me that they are extremely concerned about the funding situation. In the past, they have cut non-essential activities and support services, but they now feel they have no choice but to cut classroom teachers and whole subjects out of the curriculum. For the first time, they think that funding cuts will actually affect the quality of the teaching they provide.

Last night, I went to an event in my constituency for the concerned parents of children in local schools, and well over 200 were present. There was real anger among the parents about the prospects of further cuts. They feel a real sense of betrayal that their children are not going to receive the quality of education that their parents feel they deserve. There are excellent, dedicated teachers in our schools who are ready and willing to do the very best they can for our children, but they will not be able to if the resources available to them are not increased.

There are many different causes of the current crisis, and not all are related to the proposed changes to the funding formula. Costs are increasing because of unavoidable increases in pension and national insurance contributions; the Government are stingy with the education services grant, which will end in September; and, absurdly, many schools find themselves having to pay the apprenticeship levy. The funding formula will also decrease the money available to many schools in my constituency.

Parents and teachers in my constituency are not uninformed. They know that there is a squeeze on public spending, that belts have to be tightened and that...
[Sarah Olney]

borrowing has to be cut. But they question some of the decisions that are being made. For example, a National Audit Office report in February this year found that the free schools programme, which was originally budgeted to cost £90 million, is now likely to cost in the region of £9 billion. The cost of procuring land for new buildings is a large component of that cost, at around £2.5 billion, but the NAO estimates that the Education Funding Agency is paying, on average, almost 20% more than market value for land for new schools. The NAO also found that some sites are being purchased for schools in areas where there is no demand for extra school places.

Nobody is arguing that there is not an urgent need for new school places—not least in my constituency, which badly needs a new secondary school—but the free schools programme is not providing a cost-effective or efficient solution to that need. It urgently needs to be reviewed. Tougher negotiations on land purchases and the targeting of resources to areas of greatest need would provide better value for money for new schools and free up resources to direct towards existing schools.

The Budget statement included money put aside for a new generation of grammar schools, to be introduced as part of the free schools programme. I have searched the Conservative party manifesto from 2015 and can find no reference to this spending commitment. If the Prime Minister declines the necessity to seek a mandate for new grammar schools, to be introduced as part of the free schools programme. I have searched the Conservative party manifesto from 2015 and can find no reference to this spending commitment. If the Prime Minister declines the necessity to seek a mandate for new grammar schools, to be introduced as part of the free schools programme, which was originally budgeted to cost £2.5 billion, but the NAO estimates that the Education Funding Agency is paying, on average, almost 20% more than market value for land for new schools. The NAO also found that some sites are being purchased for schools in areas where there is no demand for extra school places.

I visited a girls’ comprehensive school in my constituency yesterday—a school that is rated outstanding in all areas. I was impressed by the quality of teaching on display as I watched a year 11 history lesson and a year 7 French lesson. The head told me that they had recently introduced a classical civilisation A-level, in response to demand from pupils, and that one of their alumni was now studying classics at Oxford. This headteacher is worried—as are all the headteachers in my constituency—that the cut in funding means that she will not be able to deliver all the subjects at A-level that she used to. There is nothing that the Prime Minister’s beloved grammars can deliver that this excellent comprehensive school cannot already deliver to the children of my constituency, and deliver without divisive selection. I call on the Prime Minister to cancel her plans for these expensive, unnecessary grammars and make the most of the excellent educational provision that is already available and continue to ensure its excellence.

The Chancellor and the Prime Minister have both stated their commitment to increasing choice in education. Choice is no good to parents who already have children in schools that are facing funding cuts. Choice implies that there are places in a range of schools for each child, and that parents merely need to make a decision on which one they want. The reality is that this would be an extraordinarily wasteful way to fund school places and that most parents take the place in the school that they are offered. Rather than choice, all most parents want is to know that the school place they are offered is capable of offering their child the very best education possible.

I call on the Government to look again at their spending plans for education and to take heed of the rising chorus of protest against the cuts in school budgets—in my constituency and elsewhere. Investing in education is essential to securing a prosperous future for this country, and skills training—not grammar schools—should be the priority if we are to thrive outside the European Union. I welcome the announcement of further investment in skills training but ask what analysis has been done of how the proposed new T-levels will align with existing vocational qualifications such as NVQs. How much of the proposed new spending will be taken up with establishing new awarding bodies and structures that could have been spent directly on teaching existing qualifications?

Anna Soubry (Broxtowe) (Con): Will the hon. Lady agree to work with me and other colleagues in examining whether it is either right or lawful for local authorities to impose the apprenticeship levy on all the schools in our constituencies?

Sarah Olney: I quite agree that including schools in the apprenticeship levy is utterly absurd. The apprenticeship levy is supposed to raise money for training in employment. To levy it on schools, which are already providing excellent learning opportunities, is outrageous. I certainly agree to work with the right hon. Lady to investigate that further.

In conclusion, this Budget does not provide the best possible provision for education in this country and I urge the Prime Minister and the Chancellor to look again at their spending plans.

6.42 pm

Peter Dowd (Bootle) (Lab): I thank colleagues who have spoken in this debate today. They have torn this Budget apart. I am talking about my hon. Friends the Members for Washington and Sunderland West (Mrs Hodgson), for Lewisham East (Heidi Alexander), for Burnley (Julie Cooper), for Garston and Halewood (Maria Eagle), for Cardiff South and Penarth (Stephen Doughty), for Redcar (Anna Turley), for Gedling (Vernon Coaker), for Wirral West (Margaret Greenwood) and for Sheffield, Brightside and Hillsborough (Gill Furniss), my new hon. Friend, the hon. Member for Stoke-on-Trent Central (Gareth Snell) and many other people.

Last week, the Chancellor painted a rosy picture of the nation’s finances. He claimed that the Conservative party’s stewardship had been nothing short of miraculous. He was relaxed and attempted jokes throughout his speech. The Prime Minister’s shoulders shook with amusement, and many Government Members chuckled away. Some of the more experienced Government Members were watching cautiously, as the nosedive gained velocity. The Chancellor had got it wrong—big time. Within hours, he was attacked by many of his own Back Benchers. He was left hung out to dry by the Prime Minister, and, unsurprisingly, he has faced universal criticism over his plans to raise national insurance to 11% for millions of self-employed people. As Sir Michael Caine in the iconic film “The Italian Job” said, “You
were only supposed to blow the doors off.” [Interruption.] It would have been unparliamentary to throw in that word. Well, the debris from the explosion is still descending. To put it purely and simply, the manifesto pledge was broken.

Since last Wednesday, Nos. 10 and 11 have been in a briefing war, with each trying to blame the other for the fine mess. Ostensibly, No.10 suggested that the Chancellor sneaked the national insurance rise into the Budget. Apparently, other shocked Cabinet colleagues have indicated that he failed to mention that it would break their manifesto pledge. As my hon. Friend the Member for Garston and Halewood said, it is worrying that Cabinet members do not know their own manifesto commitments. Perhaps they do not care. Then again, the Government have an insouciant attitude towards their manifesto commitment—[Hon. Members: “Give way!”]. I will come back to that in a minute. The insouciant attitude goes on. First the Government committed to getting rid of the deficit by 2015—a broken promise. Secondly, they said that it would be pushed back to 2019-20—another broken promise. Thirdly, they vowed that the debt would start to come down after 2015—another broken promise.

The Government will have virtually doubled the debt and doubled the time they have taken to get it down, and this is what they call success and fiscal credibility. They seem to think that they can simply press the reset button when it comes to meeting their own fiscal rules, and that no one will notice. It is the flipside of John Redwood button when it comes to meeting their own fiscal rules, and doubled the time they have taken to get it down, start to come down after 2015—another broken promise. Thirdly, they vowed that the debt would be borne back to that in a minute. The insouciant attitude goes on. First the Government committed to getting rid of the deficit by 2015—a broken promise. Secondly, they said that it would be pushed back to 2019-20—another broken promise. Thirdly, they vowed that the debt would start to come down after 2015—another broken promise.

The Government will have virtually doubled the debt and doubled the time they have taken to get it down, and this is what they call success and fiscal credibility. They seem to think that they can simply press the reset button when it comes to meeting their own fiscal rules, and that no one will notice. It is the flipside of John Maynard Keynes’ approach—namely, “When I change my mind, the facts change with it.”

Sir Oliver Letwin (West Dorset) (Con): Now that the hon. Gentleman has had his bit of fun, would he possibly explain how he proposes that the Labour party would find the money required for social care?

Peter Dowd: By fiscal rectitude. When the Government miss a deadline, their modus operandi is to set a new one and brazenly move on. It is the immutable law of Tory economics—make it up as you go along. What happened to the long-term economic plan? Well, it did not last very long. The Prime Minister and the Chancellor have their fingerprints all over every single financial decision that has been made during the past seven years. It is no surprise that they have come under criticism from many in their own party, including the former Member for Witney, and the former Chancellor Lord Lamont who called the national insurance debacle a “rookie error”—otherwise known, in the real world, as gross incompetence. But, regrettably, other people will pay the price for that incompetence.

Turning to Brexit—I will mention it even if the Chancellor does not want to—it is the 10th anniversary of the production of the “Freeing Britain to Compete: Equipping the UK for Globalisation”. The publication was a wide-ranging policy document authored by the right hon. Member for Wokingham (John Redwood) and friends. It was endorsed by the then shadow Cabinet, which included the current incumbents of No. 10 and No. 11 Downing Street. The publication was hard to track down as it has been removed from the Conservative party website for good reason, but I found a copy. Its contents were toxic—all the more so in the wake of the subsequent global financial crisis—and remain so. But in the light of Brexit, and the resurgence of the right hon. Member for Wokingham’s influence, it will soon get a second run out.

It is worth apprising the House of a few nuggets in the document’s pages. It includes policies such as the abolition of inheritance tax; charging foreign lorries to use British roads; the potential abolition of the BBC licence fee, which it refers to as a “poll tax”; the watering down of money laundering regulations; and the deregulation of mortgage finance because “it is the lending institutions rather than the client taking the risk.”

Try telling that to someone whose home has been repossessed.

The publication goes on to say:

“We need to make it more difficult for ministers to regulate”.

Remember that this document was dated August 2007, and was rubber-stamped by the current Prime Minister and the Chancellor at the time that Northern Rock was about to go under. The document continues—listen to this one—to say that the Labour Government “claims that this regulation is all necessary. They seem to believe that without it banks could steal our money.”

Well, that might not be the case, but, at the peak of the banking crisis, we had liabilities of £1.2 trillion. Many people did believe that the banks were stealing money and queued up outside banks accordingly. The document refers to wanting “reliably low inflation, taking no risks by turning fiscal rules into flexible friends” not that the Chancellor has many of those nowadays. As for Europe, in search of jobs and prosperity the document says:

“An incoming Conservative government should go to Brussels with proposals to deregulate the whole EU”.

No wonder they wanted to bury the evidence—it is the autobiography of the hard-line Brexiteers, and the Tory blueprint for a post-Brexit, deregulated Britain. It is a race to the bottom.

These policies are a telling narrative of the views of the fundamentalist wing of the Conservative party. The Prime Minister is hostage to that right wing, and she is on the hook. The stage directions are coming from Wokingham, Haltemprice and Howden, North Somerset, and Chingford and Woodford Green, with occasional guest appearances by the Foreign Secretary. The forlorn, melancholic Chancellor is briefed against—he is not laughing now—because he may just have a less hard-line approach to Brexit than his colleagues.

These are the dusted-off policies of hard Brexiteers, who will stop at nothing until Britain becomes a low-wage, low-tax, low-regulation economy. They want to turn our country—not their country—into the bargain basement of the western world, and they have the Prime Minister in tow. Parliamentary scrutiny is a hindrance. Meanwhile, the Prime Minister has put kamikaze pilots in the cockpit. The Chancellor knows this too well, and that is why there is a reported £60 billion set aside as a trauma fund—a failure fund. It is not Brexit-proofing the economy, but proofing the economy from the toxic ideology of the hard Brexiteers.

The Government’s proposal to increase insurance premium tax from 10% to 12% is a regressive measure and a charge on households, and we will not support it.
It was a surprise to see it in the autumn statement, coming as it did from a Government who use the high cost of insurance premiums as an excuse for curbs on victims’ rights to claim compensation, and we will oppose that rise. While the Government drive up the price of insurance for millions of families, through other policies they will forgo £73 billion of revenue.

The Budget claims it is for lower and middle earners, the NHS, social care agencies, the self-employed, schools, businesses, pubs, the strivers and the entrepreneurs. It wants to give them the thumbs-up, but, in practice, it is not doing that; on the contrary, it is putting two fingers up to them, and that is something Labour will never do.

6.52 pm

The Chief Secretary to the Treasury (Mr David Gauke): This is a Budget that demonstrates the Government’s determination to face up to our long-term challenges. This is a Budget that recognises that the only sustainable way to improve living standards is to improve our productivity. This is a Budget that recognises that sustainable public finances are not an impediment to prosperity but a necessary precondition.

I would like to thank my hon. Friends who participated in the debate: my hon. Friends the Members for Croydon South (Chris Philp), for Gainsborough (Sir Edward Leigh), for Telford (Lucy Allan), for Warwick and Leamington (Chris White), for South Dorset (Richard Drax), for Weaver Vale (Graham Evans) and for Faversham and Mid Kent (Helen Whately).

May I say a particular word of congratulation to the hon. Member for Stoke-on-Trent Central (Gareth Snell)? I apologise for having missed his speech, but I have heard from a number of people that it was excellent, and it proves that, in terms of his attributes as a Member of Parliament, it is not only because he is not Paul Nuttall that he will be welcome in this place.

I could probably summarise the other contributions from the Opposition Benches as saying that we are not spending enough, we are taxing too much and we are borrowing too much. Thankfully, it is not my job to reconcile all of that, and I wish the hon. Member for Bootle (Peter Dowd) the best of luck—he can say it is fiscal rectitude if he likes.

An important part of this Budget has been ensuring that this country has the skills we need to grow in the 21st century. We have to face up to the fact that tomorrow’s labour market is going to look very different from today’s. One study, for example, estimates that over a third of all jobs in the UK are high risk of replacement in the next one to two decades, as technology and society advance. Economic, social and technological change can make certain jobs or institutions obsolete: lamplighters, handloom weavers and the Hansom Cab Company—I suppose we could add the Labour party to that list.

The job of the Government is not to stand in the way of those changes, preserving the old by stifling the new; instead, our role is to prepare the country and its people to adapt to the changes ahead, and that is what this Budget was all about: giving young people the skills they will need to get ahead in tomorrow’s world. That includes expanding the programme of free schools, investing more in schools maintenance, reforming technical education, and increasing teaching hours for further education students.

Alongside that, we also took steps to help people with the opportunities to upskill and reskill throughout their working lives, as well as to help our top researchers to develop so that our brightest can become the world’s best. We are taking forward an ambitious plan to improve education across the board for people of all backgrounds and of all ages, because that, alongside our investment in the country’s underlying infrastructure, is what will count in turning the tide on Britain’s long-standing productivity problem. Only by doing that can we increase living standards and fund world-class public services.

But as we prepare a bright future for the 21st century, we do so responsibly. This was a Budget that protected and improved our health and social services, and a Budget that invested in reform for the benefit of the next generation of workers and businesses alike, but a Budget that did so by funding all the new spending commitments it made, because, unlike Labour, we do not believe in spending and promising what we cannot deliver. That means having a tax base that is capable of funding the public services we provide, and doing so in a way that is fair.

We have heard a lot about the change we made to national insurance for the self-employed, and we are listening to hon. Members’ concerns. I think we all have to recognise that the difference between the benefits received by the employed and the self-employed have narrowed but the gap in contributions has not. This means that the employed pay a lot more for the same benefits. As self-employment grows in our economy—a welcome trend—that should not place a pressure on funding public services and deficit reduction. A Government addressing long-term challenges have to address this point, not ignore it.

This is a Budget that keeps Britain working—one that invests in our people, infrastructure and public services but does so responsibly, continuing to steer the country’s course away from Labour’s “spend what you can borrow” approach to our “spend what you can afford”. In doing so, we are once again demonstrating that we are the party that is delivering for this generation but not at the expense of the next generation. That is why the House should support the Budget in the Lobby tonight.

Question put and agreed to.

Resolved.

(1) That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;
(b) for refunding an amount of tax;
(c) for any relief, other than a relief that—

(i) so far as it is applicable to goods, applies to goods of every description, and
(ii) so far as it is applicable to services, applies to services of every description.

Mr Deputy Speaker (Mr Lindsay Hoyle): I am now required under Standing Order No. 51(3) to put successively, without further debate, the Question on each of the
Ways and Means motions numbered 2 to 46, and on the motions on procedure numbered 47 to 51, on all of which a Bill is to be brought in. These motions are set out in a separate paper distributed with today’s Order Paper.

I must inform the House that for the purposes of Standing Order No. 83U and on the basis of material put before him, Mr Speaker has certified that in his opinion the following founding motions published on 8 March 2017 and to be moved by the Chancellor of the Exchequer relate exclusively to England, Wales and Northern Ireland and are within devolved legislative competence: 3, Income Tax (main rates); and 36, Landfill tax.

The Deputy Speaker put forthwith the Questions necessary to dispose of the motions in the name of the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. INCOME TAX (CHARGE)
Resolved,
That income tax is charged for the tax year 2017-18.

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

3. INCOME TAX (MAIN RATES)
Resolved,
That for the tax year 2017-18 the main rates of income tax are as follows—

(a) the basic rate is 20%,
(b) the higher rate is 40%, and
(c) the additional rate is 45%.

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

4. INCOME TAX (DEFAULT AND SAVINGS RATES)
Resolved,
That—

(1) For the tax year 2017-18 the default rates of income tax are as follows—

(a) the default basic rate is 20%,
(b) the default higher rate is 40%, and
(c) the default additional rate is 45%.

(2) For the tax year 2017-18 the savings rates of income tax are as follows—

(a) the savings basic rate is 20%,
(b) the savings higher rate is 40%, and
(c) the savings additional rate is 45%.

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

5. INCOME TAX (SAVINGS RATE LIMIT)
Resolved,
That—

(1) For the amount specified in section 12(3) of the Income Tax Act 2007 (starting rate for savings) substitute “£5000”.

(2) The amendment made by this Resolution has effect for the tax year 2017-18 and subsequent tax years. (3) Section 21 of the Income Tax Act 2007 (indexation), so far as relating to the starting rate limit for savings, does not apply in relation to the tax year 2017-18 (but this Resolution does not override that section for subsequent tax years).

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

6. CORPORATION TAX (CHARGE FOR FINANCIAL YEAR 2018)
Resolved,
That corporation tax is charged for the financial year 2018.

7. PUBLIC SECTOR OFF-PAYROLL WORKERS
Resolved,
That—

(1) The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 7(5)(a) (amounts treated as earnings by Chapters 7 to 9 of Part 2 are “employment income” and “general earnings”), for “9” substitute “10”.

(3) In section 48 (scope of Chapter 8 of Part 2: workers’ services provided through intermediaries)—

(a) in subsection (1), after “through an intermediary” insert “, but not where the services are provided to a public authority”, and

(b) after subsection (2) insert—

“(3) In this Chapter “public authority” has the same meaning as in Chapter 10 of this Part (see section 61L).”

(4) In section 49 (engagements to which Chapter 8 of Part 2 applies)—

(a) in subsection (1), after paragraph (a) insert—

“(aa) the client is not a public authority,”; and

(b) after subsection (4) insert—

“(4A) Holding office as statutory auditor of the client does not count as holding office under the client for the purposes of subsection (1)(c), and here “statutory auditor” means a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (see section 1210 of that Act).”

(5) In section 52(2)(b) and (c) (conditions of liability under Chapter 8 where intermediary is a partnership), for “this Chapter” substitute “one or other of this Chapter and Chapter 10”.

(6) In section 61(1) (interpretation of Chapter 8), before the definition of “engagement to which this Chapter applies” insert—

““engagement to which Chapter 10 applies” has the meaning given by section 61M(5)((a))”.]

(7) In section 61A (scope of Chapter 9 of Part 2: workers’ services provided by managed service companies), after subsection (2) insert—

“(3) See also section 61D(4A) (disapplication of this Chapter if Chapter 10 applies).”

(8) In section 61D (deemed earnings where worker’s services provided by managed service company), after subsection (4) insert—

“(4A) This section does not apply where the provision of the relevant services gives rise (directly or indirectly) to an engagement to which Chapter 10 applies, and for this purpose it does not matter whether the client is also the “client” for the purposes of section 61M(1).”

(9) In section 61J(1) (interpretation of Chapter 9), before the definition of “managed service company” insert—

““engagement to which Chapter 10 applies” has the meaning given by section 61M(5).”

(10) In Part 2 (employment income: charge to tax), after Chapter 9 insert—
“Chapter 10
WORKERS' SERVICES PROVIDED TO PUBLIC SECTOR
THROUGH INTERMEDIARIES

61K Scope of this Chapter
(1) This Chapter has effect with respect to the provision of services to a public authority through an intermediary.

(2) Nothing in this Chapter—
(a) affects the operation of Chapter 7 of this Part (agency workers), or
(b) applies to payments or transfers to which section 966(3) or (4) of ITA 2007 applies (visiting performers: duty to deduct and account for sums representing income tax).

61L Meaning of “public authority”
(1) In this Chapter “public authority” means—
(a) a public authority as defined by the Freedom of Information Act 2000,
(b) a Scottish public authority as defined by the Freedom of Information (Scotland) Act 2002 (asp 13),
(c) the Corporate Officer of the House of Commons,
(d) the Corporate Officer of the House of Lords,
(e) the National Assembly for Wales Commission, or
(f) the Northern Ireland Assembly Commission.

(2) An authority within paragraph (a) or (b) of subsection (1) is a public authority for the purposes of this Chapter in relation to all its activities even if provisions of the Act mentioned in that paragraph do not apply to all information held by the authority.

61M Engagements to which Chapter applies
(1) Sections 61N to 61R apply where—
(a) an individual (“the worker”) personally performs, or is under an obligation personally to perform, services for another person (“the client”),
(b) the client is a public authority,
(c) the services are provided not under a contract directly between the client and the worker but under arrangements involving a third party (“the intermediary”), and
(d) the circumstances are such that—
(i) if the services were provided under a contract directly between the client and the worker, the worker would be regarded for income tax purposes as an employee of the client or the holder of an office under the client, or
(ii) the worker is an office-holder who holds that office under the client and the services relate to the office.

(2) The reference in subsection (1)(c) to a “third party” includes a partnership or unincorporated association of which the worker is a member.

(3) The circumstances referred to in subsection (1)(d) include the terms on which the services are provided, having regard to the terms of the contracts forming part of the arrangements under which the services are provided.

(4) Holding office as statutory auditor of the client does not count as holding office under the client for the purposes of subsection (1)(d), and here “statutory auditor” means a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (see section 1210 of that Act).

(5) In this Chapter “engagement to which this Chapter applies” means any such provision of services as is mentioned in subsection (1).

61N Worker treated as receiving earnings from employment
(1) If one of Conditions A to C is met, identify the chain of two or more persons where—
(a) the highest person in the chain is the client,
(b) the lowest person in the chain is the intermediary, and
(c) each person in the chain above the lowest makes a chain payment to the person immediately below them in the chain.

(See section 61U for cases where one of Conditions A to C is treated as being met.).

(2) In this section and sections 61O to 61S—
“chain payment” means a payment, or money’s worth or any other benefit, that can reasonably be taken to be for the worker’s services to the client,
“make”—
(a) in relation to a chain payment that is money’s worth, means transfer, and
(b) in relation to a chain payment that is a benefit other than a payment or money’s worth, means provide, and”

“the fee-payer” means the person in the chain immediately above the lowest.

(3) The fee-payer is treated as making to the worker, and the worker is treated as receiving, a payment which is to be treated as earnings from an employment (“the deemed direct payment”), but this is subject to subsections (5) to (7) and sections 61T and 61V.

(4) The deemed direct payment is treated as made at the same time as the chain payment made by the fee-payer.

(5) Subsections (6) and (7) apply, subject to sections 61T and 61V, if the fee-payer—
(a) is not the client, and
(b) is not a qualifying person.

(6) If there is no person in the chain below the highest and above the lowest who is a qualifying person, subsections (3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the client.

(7) Otherwise, subsections (3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the person in the chain who—
(a) is above the lowest,
(b) is a qualifying person, and
(c) is lower in the chain than any other person in the chain who—
(i) is above the lowest, and
(ii) is a qualifying person.

(8) In subsections (5) to (7) a “qualifying person” is a person who—
(a) is resident in the United Kingdom or has a place of business in the United Kingdom,
(b) is not a person who is controlled by—
(i) the worker, alone or with one or more associates of the worker, or
(ii) an associate of the worker, with or without other associates of the worker, and
(c) if a company, is not one in which—
(i) the worker, alone or with one or more associates of the worker, or
(ii) an associate of the worker, with or without other associates of the worker, has a material interest (within the meaning given by section 51(4) and (5)).

(9) Condition A is that—
(a) the intermediary is a company, and
(b) the conditions in section 61O are met in relation to the intermediary.

(10) Condition B is that—
(a) the intermediary is a partnership,
(b) the worker is a member of the partnership,
(c) the provision of the services is by the worker as a member of the partnership, and
(d) the condition in section 61P is met in relation to the intermediary.

(11) Condition C is that the intermediary is an individual.

(12) Where a payment, money’s worth or any other benefit can reasonably be taken to be for both—
The amount of the deemed direct payment is the amount
as they apply for the purposes of Chapter 8.

61O Conditions where intermediary is a company
(1) The conditions mentioned in section 61N(9)(b) are that—
(a) the intermediary is not an associated company of the client
that falls within subsection (2), and
(b) the worker has a material interest in the intermediary.
(2) An associated company of the client falls within this
subsection if it is such a company by reason of the intermediary
and the client being under the control—
(a) of the worker, or
(b) of the worker and other persons.
(3) The worker is treated as having a material interest in the
intermediary if—
(a) the worker, alone or with one or more associates of the
worker, or
(b) an associate of the worker, with or without other associates
of the worker,
has a material interest in the intermediary.
(4) For this purpose “material interest” has the meaning given
by section 51(4) and (5).
(5) In this section “associated company” has the meaning given
by section 449 of CTA 2010.

61P Conditions where intermediary is a partnership
(1) The condition mentioned in section 61N(10)(d) is—
(a) that the worker, alone or with one or more relatives, is
entitled to 60% or more of the profits of the partnership, or
(b) that most of the profits of the partnership derive from the
 provision of services under engagements to which one or other
of this Chapter and Chapter 8 applies—
(i) to a single client, or
(ii) to a single client together with associates of that client, or
(c) that under the profit sharing arrangements the income of
any of the partners is based on the amount of income generated
by that partner by the provision of services under engagements
with one or other of this Chapter and Chapter 8 applies.
(2) In subsection (1)(a) “relative” means spouse or civil partner,
parent or child or remoter relation in the direct line, or brother or
sister.
(3) In subsection (1), section 61(4) and (5) apply for the purposes
of this section as they apply for the purposes of Chapter 8.

61Q Calculation of deemed direct payment
(1) The amount of the deemed direct payment is the amount
resulting from the following steps—
Step 1
Identify the amount or value of the chain payment made
by the person who is treated as making the deemed
direct payment, and deduct from that amount so
much of it (if any) as is in respect of value added tax.
Step 2
Deduct, from the amount resulting from Step 1, so much
of that amount as represents the direct cost to the
intermediary of materials used, or to be used, in the
performance of the services.
Step 3
Deduct, at the option of the person treated as making the
deemed direct payment, from the amount resulting
from Step 2, so much of that amount as represents
expenses met by the intermediary that would have
been deductible from the taxable earnings from the
employment if—
(a) the worker had been employed by the client, and
(b) the expenses had been met by the worker out of those
earnings.

Step 4
If the amount resulting from the preceding Steps is nil
or negative, there is no deemed direct payment.
Otherwise, that amount is the amount of the deemed
direct payment.

(2) For the purposes of Step 1 of subsection (1), any part of the
amount or value of the chain payment which is employment
income of the worker by virtue of section 863G(4) of ITTOIA
2005 (salaried members of limited liability partnerships: anti-avoidance) is to be ignored.

(3) In subsection (1), the reference to the amount or value of
the chain payment means the amount or value of that payment
before the deduction (if any) permitted under section 61S.
(4) If the actual amount or value of the chain payment
mentioned in Step 1 of subsection (1) is such that its recipient
bears the cost of amounts due under PAYE regulations or
contributions regulations in respect of the deemed direct
payment, that Step applies as if the amount or value of that
chain payment were what it would be if the burden of that cost
were not being passed on through the setting of the level of the
payment.
(5) In Step 3 of subsection (1), the reference to expenses met
by the intermediary includes—
(a) expenses met by the worker and reimbursed by the
intermediary, and
(b) where the intermediary is a partnership and the worker is
a member of the partnership, expenses met by the worker for and
on behalf of the partnership.
(6) In subsection (4) “contributions regulations” means
regulations under the Contributions and Benefits Act providing
for primary Class 1 contributions to be paid in a similar manner
to income tax in relation to which PAYE regulations have effect
(see, in particular, paragraph 6(1) of Schedule 1 to the Act); and
here “primary Class 1 contribution” means a primary Class 1
contribution within the meaning of Part 1 of the Contributions
and Benefits Act.

61R Application of Income Tax Acts in relation to deemed
employment
(1) The Income Tax Acts (in particular, Part 11 and PAYE
regulations) apply in relation to the deemed direct payment as
follows.
(2) They apply as if—
(a) the worker were employed by the person treated as making
the deemed direct payment, and
(b) the services were performed, or to be performed, by the
worker in the course of performing the duties of that
employment.
(3) The deemed direct payment is treated in particular—
(a) as taxable earnings from the employment for the purpose
of securing that any deductions under Chapters 2 to 6 of Part 5
do not exceed the deemed direct payment, and
(b) as taxable earnings from the employment for the purposes
of section 232.
(4) The worker is not chargeable to tax in respect of the deemed
direct payment if, or to the extent that, by reason of any
combination of the factors mentioned in subsection (5), the
worker would not be chargeable to tax if—
(a) the client employed the worker,
(b) the worker performed the services in the course of that
employment, and
(c) the deemed direct payment were a payment by the client of
earnings from that employment.
(5) The factors are—
   (a) the worker being resident or domiciled outside the United Kingdom or meeting the requirement of section 26A,
   (b) the client being resident outside, or not resident in, the United Kingdom, and
   (c) the services being provided outside the United Kingdom.

(6) Where the intermediary is a partnership or unincorporated association, the deemed direct payment is treated as received by the worker in the worker’s personal capacity and not as income of the partnership or association.

(7) Where—
   (a) the client is the person treated as making the deemed direct payment,
   (b) the worker is resident in the United Kingdom,
   (c) the services are provided in the United Kingdom,
   (d) the client is not resident in the United Kingdom, and
   (e) the client does not have a place of business in the United Kingdom,

the client is treated as resident in the United Kingdom.

61S Deductions from chain payments

(1) This section applies if, as a result of section 61R, a person who is treated as making a deemed direct payment is required under PAYE Regulations to pay an amount to the Commissioners for Her Majesty’s Revenue and Customs (the Commissioners) in respect of the payment.

(But see subsection (4)).

(2) The person may deduct from the underlying chain payment an amount which is equal to the amount payable to the Commissioners, but where the amount or value of the underlying chain payment is treated by section 61Q(4) as increased by the cost of any amount due under PAYE Regulations, the amount that may be deducted is limited to the difference (if any) between the amount payable to the Commissioners and the amount of that increase.

(3) Where a person in the chain other than the intermediary receives a chain payment from which an amount has been deducted in reliance on subsection (2) or this subsection, that person may deduct the same amount from the chain payment made by them.

(4) This section does not apply in a case to which 61V(2) applies (services-provider treated as making deemed direct payment).

(5) In subsection (2) “the underlying chain payment” means the chain payment whose amount is used at Step 1 of section 61Q(1) as the starting point for calculating the amount of the deemed direct payment.

61T Information to be provided by clients and consequences of failure

(1) If the conditions in section 61M(1)(a) to (1)(c) are met in any case, and a person as part of the arrangements mentioned in section 61M(1)(c) enters into a contract with the client, the client must inform that person (in the contract or otherwise) of which one of the following is applicable—
   (a) the client has concluded that the condition in section 61M(1)(d) is met in the case;
   (b) the client has concluded that the condition in section 61M(1)(d) is not met in the case.

(2) If the contract is entered into on or after 6 April 2017, the duty under subsection (1) must be complied with—
   (a) on or before the time of entry into the contract, or
   (b) if the services begin to be performed at a later time, before that later time.

(3) If the contract is entered into before 6 April 2017, the duty under subsection (1) must be complied with on or before the date of the first payment made under the contract on or after 6 April 2017.

(4) If the information which subsection (1) requires the client to give to a person has been given (whether in the contract, as required by subsection (2) or (3) or otherwise), the client must, on a written request by the person, provide the person with a written response to any questions raised by the person about the client’s reasons for reaching the conclusion identified in the information.

(5) A response required by subsection (4) must be provided before the end of 31 days beginning with the day the request for it is received by the client.

(6) If—
   (a) the client fails to comply with the duty under subsection (1) within the time allowed by subsection (2) or (3),
   (b) the client fails to provide a response required by subsection (4) within the time allowed by subsection (5), or
   (c) the client complies with the duty under subsection (1) but fails to take reasonable care in coming to its conclusion as to whether the condition in section 61M(1)(d) is met in the case,

section 61N(3) and (4) have effect in the case as if for any reference to the fee-payer there were substituted a reference to the client, but this is subject to section 61V.

61U Information to be provided by worker and consequences of failure

(1) In the case of an engagement to which this Chapter applies, the worker must inform the potential deemed employer of which one of the following is applicable—
   (a) that one of conditions A to C in section 61N is met in the case,
   (b) that none of conditions A to C in section 61N is met in the case.

(2) If the worker has not complied with subsection (1), then for the purposes of section 61N(1), one of conditions A to C in section 61N is to be treated as met.

(3) In this section, “the potential deemed employer” is the person who, if one of conditions A to C in section 61N were met, would be treated as making a deemed direct payment to the worker under section 61N(3).

61V Consequences of providing fraudulent information

(1) Subsection (2) applies if in any case—
   (a) a person (“the deemed employer”) would, but for this section, be treated by section 61N(3) as making a payment to another person (“the services-provider”), and
   (b) the fraudulent documentation condition is met.

(2) Section 61N(3) has effect in the case as if the reference to the fee-payer were a reference to the services-provider, but—
   (a) section 61N(4) continues to have effect as if the reference to the fee-payer were a reference to the deemed employer, and
   (b) Step 1 of section 61Q(1) continues to have effect as referring to the chain payment made by the deemed employer.

(3) Subsection (2) has effect even though that involves the services-provider being treated as both employer and employee in relation to the deemed employment under section 61N(3).

(4) “The fraudulent documentation condition” is that a relevant person provided any person with a fraudulent document intended to constitute evidence—
   (a) that the case is not an engagement to which this Chapter applies, or
   (b) that none of conditions A to C in section 61N is met in the case.

(5) A “relevant person” is—
   (a) the services-provider;
   (b) a person connected with the services-provider;
   (c) if the intermediary in the case is a company, an office-holder in that company.

61W Prevention of double charge to tax and allowance of certain deductions

(1) Subsection (2) applies where—
(a) a person ("the payee") receives a payment or benefit ("the end-of-line remuneration") from another person ("the paying intermediary.");

(b) the end-of-line remuneration can reasonably be taken to represent remuneration for services of the payee to a public authority,

(c) a payment ("the deemed payment") has been treated by section 61N(3) as made to the payee,

(d) the underlying chain payment can reasonably be taken to be for the same services of the payee to that public authority, and

(e) the recipient of the underlying chain payment has (whether by deduction from that payment or otherwise) borne the cost of any amounts due, under PAYE regulations and contributions regulations in respect of the deemed payment, from the person treated by section 61N(3) as making the deemed payment.

(2) For income tax purposes, the paying intermediary and the payee may treat the amount of the end-of-line remuneration as reduced (but not below nil) by any one or more of the following—

(a) the amount (see section 61Q) of the deemed payment;

(b) the amount of any capital allowances in respect of expenditure incurred by the paying intermediary that could have been deducted from employment income under section 262 of CAA 2001 if the payee had been employed by the public authority and had incurred the expenditure;

(c) the amount of any contributions made, in the same tax year as the end-of-line payment, for the benefit of the payee by the paying intermediary to a registered pension scheme that if made by an employer for the benefit of an employee would not be chargeable to income tax as income of the employee.

(3) Subsection (2)(c) does not apply to—

(a) excess contributions paid and later repaid,

(b) contributions set under subsection (2) against another payment by the paying intermediary, or

(c) contributions deductible at Step 5 of section 54(1) in calculating the amount of the payment (if any) treated by section 50 as made in the tax year concerned by the paying intermediary to the payee.

(4) For the purposes of subsection (3)(c), the contributions to which Step 5 of section 54(1) applies in the case of the particular calculation are "deductible" at that Step so far as their amount does not exceed the result after Step 4 in that calculation.

(5) In subsection (1)(d) "the underlying chain payment" means the chain payment whose amount is used at Step 1 of section 61Q(1) as the starting point for calculating the amount of the deemed payment.

(6) Subsection (2) applies whether the end-of-line remuneration—

(a) is earnings of the payee,

(b) is a distribution of the paying intermediary, or

(c) takes some other form.

6IX Interpretation

In this Chapter—

"associate" has the meaning given by section 60;

"company" means a body corporate or unincorporated association, and does not include a partnership;

"engagement to which Chapter 8 applies" has the meaning given by section 40(5)."

(11) In section 339A (travel for employment involving intermediaries), after subsection (6) insert—

"(6A) Subsection (3) does not apply in relation to an engagement if—

(a) sections 61N to 61R in Chapter 10 of Part 2 do not apply in relation to the engagement because the circumstances in section 61M(0)(d) are not met,

(b) assuming those circumstances were met, one of Conditions A to C in section 61N would be met in relation to the employment intermediary, and

(c) the employment intermediary is not a managed service company.

(6B) This section does not apply in relation to an engagement if—

(a) sections 61N to 61R in Chapter 10 of Part 2 do not apply in relation to the engagement because the circumstances in section 61M(0)(d) are not met,

(b) assuming those circumstances were met, one of Conditions A to C in section 61N would be met in relation to the employment intermediary, and

(c) the employment intermediary is not a managed service company.

(6C) In determining for the purposes of subsection (6A) or (6B) whether one of Conditions A to C in section 61N is or would be met in relation to the employment intermediary, read references to the intermediary as references to the employment intermediary."

(12) The amendments made by paragraphs 2 to 9 and 11 of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

(13) The amendment made by paragraph 10 of this Resolution has effect in relation to deemed direct payments treated as made on or after 6 April 2017, and does so even if relating to services provided before that date.

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

8. OPTIONAL REMUNERATION ARRANGEMENTS

Resolved.

That—


"69A Optional remuneration arrangements"

(1) Subsections (2) to (7) have effect for the purposes of the benefits code.

(2) A benefit provided for an employee is provided under "optional remuneration arrangements" so far as it is provided under arrangements of type A or B (regardless of whether those arrangements are made before or after the beginning of the person's employment).

(3) "Type A arrangements" are arrangements under which, in return for the benefit, the employee gives up the right (or a future right) to receive an amount of earnings within Chapter 1 of Part 3.

(4) "Type B arrangements" are arrangements (other than type A arrangements) under which the employee agrees to be provided with the benefit rather than an amount of earnings within Chapter 1 of Part 3.

(5) A benefit provided for an employee is to be regarded as provided under optional remuneration arrangements (whether of type A or type B) so far as it is just and reasonable to attribute the provision of the benefit to the arrangements in question.

(6) Where a benefit is provided for an employee under any arrangements, the mere fact that under the arrangements the employee makes good, or is required to make good, any part of the cost of provision is not to be taken to show that the benefit is (to any extent) provided otherwise than under optional remuneration arrangements.

(7) Where a benefit is provided for an employee partly under optional remuneration arrangements and partly otherwise than under such arrangements, the benefits code is to apply with any modifications (including provision for just and reasonable apportionments) that may be required for ensuring that the benefit is treated—

(a) in accordance with the relevant provision in the column 2 of the table so far as it is provided under optional remuneration arrangements, and
(b) in accordance with the relevant provision in column 1 of the table so far as it is provided otherwise than under such arrangements.

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<thead>
<tr>
<th>Column 1</th>
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<td>175A(1A)(b)</td>
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<td>203(1)</td>
<td>203A(1A)</td>
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</tbody>
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69B Optional remuneration arrangements: supplementary

(1) For the purposes of the benefits code “the amount foregone”—

(a) in relation to a benefit provided for an employee under type A arrangements means the amount of earnings mentioned in section 69A(3);  
(b) in relation to a benefit provided for an employee under type B arrangements means the amount of earnings mentioned in section 69A(4);  
(c) in relation to a benefit provided for an employee partly under type A arrangements and partly under type B arrangements, means the sum of the amounts foregone under the arrangements of each type.

(2) Subsection (3) applies where, in order to determine the amount foregone with respect to a particular benefit mentioned in section 69A(3) or (4), it is necessary to apportion an amount of earnings to the benefit.

(3) The apportionment is to be made on a just and reasonable basis.

(4) In this section and section 69A references to a benefit provided for an employee include a benefit provided for a member of an employee’s family or household.

(5) In this section and section 69A—

“benefit” includes any benefit or facility, regardless of its form and the manner of providing it;  
“earnings” means earnings within Chapter 1 of Part 3 (and includes a reference to amounts which would have been such earnings if the employee had received them).”

(2) Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: earnings and benefits in kind etc treated as earnings) is amended as follows.

(3) Section 81 (benefit of cash voucher treated as earnings) is amended as follows.

(4) After subsection (1) insert—

“(1A) Where a cash voucher to which this Chapter applies is provided pursuant to optional remuneration arrangements—

(a) subsection (1) does not apply, and  
(b) the relevant amount is to be treated as earnings from the employment for the tax year in which the voucher is received by the employee.

(1B) In this section “the relevant amount” means—

(a) the cash equivalent, or  
(b) if greater, the amount foregone with respect to the benefit of the voucher (see section 69B).”

(5) At the end insert—

“(3) For the purposes of subsection (1B), assume that the cash equivalent is zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of the voucher would be exempt from income tax but for section 228A (exclusion of certain exemptions).”

(6) After section 87 insert—

“87A Benefit of non-cash voucher treated as earnings: optional remuneration arrangements

(1) Where a non-cash voucher to which this Chapter applies is provided pursuant to optional remuneration arrangements—

(a) the relevant amount is to be treated as earnings from the employment for the tax year in which the voucher is received by the employee, and  
(b) section 87(1) does not apply.

(2) To find the relevant amount, first determine which (if any) is the greater of—

(a) the cost of provision (see section 87(3)), and  
(b) the amount foregone with respect to the benefit of the voucher (see section 69B).

(3) If the cost of provision is greater than or equal to the amount foregone, the “relevant amount” is the cash equivalent of the benefit of the non-cash voucher (see section 87(2)).

(4) Otherwise, the “relevant amount” is the difference between—

(a) the amount foregone, and  
(b) any part of the cost of provision that is made good by the employee, to the person incurring it, on or before 6 July following the relevant tax year.

(5) If the voucher is a non-cash voucher other than a cheque voucher, the relevant tax year is—

(a) the tax year in which the cost of provision is incurred, or  
(b) if later, the tax year in which the employee receives the voucher.

(6) If the voucher is a cheque voucher, the relevant tax year is the tax year in which the voucher is handed over in exchange for money, goods or services.

(7) For the purposes of subsections (2) and (3), assume that the cost of provision is zero if the condition in subsection (8) is met.

(8) The condition is that the non-cash voucher would be exempt from income tax but for section 228A (exclusion of certain exemptions).”

(7) In section 88 (year in which earnings treated as received)—

(a) in subsection (1), after “87” insert “or 87A”;  
(b) in subsection (2), after “87” insert “or 87A.”

(8) After section 94 insert—

“94A Benefit of credit-token treated as earnings: optional remuneration arrangements

(1) If the conditions in subsections (2) and (3) are met in relation to any occasions on which a credit-token to which this Chapter applies is used by the employee in a tax year to obtain money, goods or services—

(a) the relevant amount is to be treated as earnings from the employment for that year, and  
(b) section 94(1) does not apply in relation to the use of the credit-token on those occasions.

(2) The condition in this subsection is that the credit-token is used pursuant to optional remuneration arrangements.

(3) The condition in this subsection is that AF is greater than the relevant cost of provision for the tax year.

In this section “AF” means so much of the amount foregone (see section 69B) as is attributable on a just and reasonable basis to the use of the credit-token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services.

(4) The “relevant amount” is the difference between—

(a) AF, and  
(b) any part of the relevant cost of provision for the tax year that is made good by the employee, to the person incurring it, on or before 6 July following the tax year which contains the occasion of use of the credit-token to which the making good relates.
(5) But the relevant amount is taken to be zero if the amount given by paragraph (b) of subsection (4) exceeds AF.

(6) For the purposes of this section the “relevant cost of provision for the tax year” is determined as follows—

Step 1
Find the cost of provision with respect to each occasion of use of the credit-token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services.

Step 2
The total of those amounts is the relevant cost of provision for the tax year.

(7) But the relevant cost of provision for the tax year is to be taken to be zero if the condition in subsection (8) is met.

(8) The condition is that use of the credit token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(9) In this section “cost of provision” has the same meaning as in section 94.

(9) In section 97 (living accommodation to which Chapter 5 applies), in subsection (1A)(b), for “the cash equivalent of” substitute “an amount in respect of”.

(10) In section 98 (accommodation provided by local authority), in the words before paragraph (a), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)”.

(11) Section 99 (accommodation provided for performance of duties) is amended as follows.

(12) In subsection (1), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A)”.

(13) In subsection (2), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A)”.

(14) In section 100 (accommodation provided as result of security threat), in the words before paragraph (a), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)”.

(15) In section 100A (homes outside UK owned by company etc), in subsection (1), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)”.

(16) In section 101 (Chevening House), in the words before paragraph (a), for “This Chapter” substitute “In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)”.

(17) Section 102 (benefit of living accommodation treated as earnings) is amended as follows.

(18) In subsection (1), for the words before paragraph (a) substitute “This section applies if living accommodation to which this Chapter applies is provided in any period (“the taxable period”)”.

(19) The words in subsection (1) from “the cash equivalent” to the end become subsection (1A).

(20) After subsection (1A) insert—

“(1B) If the benefit of the accommodation is provided pursuant to optional remuneration arrangements—

(a) subsection (1A) does not apply, and

(b) the relevant amount is to be treated as earnings from the employment for that tax year.”

(21) Omit subsection (2).

(22) At the end insert—

“(4) Section 103A indicates how the relevant amount is determined.”

(23) In section 103 (method of calculating cash equivalent), in subsection (3), for “102(2)” substitute “102(1)”.

(24) After section 103 insert—

“103A Accommodation provided pursuant to optional remuneration arrangements: relevant amount

(1) To find the relevant amount, first determine which (if any) is the greater of—

(a) the modified cash equivalent of the benefit of the accommodation (see sections 105(2A) and 106(2A)), and

(b) the amount foregone with respect to the benefit of the accommodation (see section 69B).

(2) If the amount mentioned in subsection (1)(a) is greater than or equal to the amount mentioned in subsection (1)(b), the “relevant amount” is the cash equivalent of the benefit of the accommodation (see section 103).

(3) Otherwise, the “relevant amount” is the difference between—

(a) the amount foregone with respect to the benefit of the accommodation, and

(b) the deductible amount (see subsections (7) and (8)).

(4) If the amount foregone with respect to the benefit of the accommodation does not exceed the deductible amount, the relevant amount is taken to be zero.

(5) For the purposes of subsections (1) and (2), assume that the modified cash equivalent of the benefit of the accommodation is zero if the condition in subsection (6) is met.

(6) The condition is that the benefit of the accommodation would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) If the cost of providing the living accommodation does not exceed £75,000, the “deductible amount” means any sum made good, on or before 6 July following the tax year which contains the taxable period, by the employee to the person at whose cost the accommodation is provided that is properly attributable to its provision.

(8) If the cost of providing the living accommodation exceeds £75,000, the “deductible amount” means the total of amounts A and B where—

A is equal to so much of MG as does not exceed RV;
B is the amount of any excess rent paid by the employee in respect of the taxable period;
MG is the total of any sums made good, on or before 6 July following the tax year which contains the taxable period, by the employee to the person at whose cost the accommodation is provided that are properly attributable to its provision (in the taxable period);
RV is the rental value of the accommodation for the taxable period as set out in section 105(3) or (4A)(b) (as applicable).

(9) In subsection (8) “excess rent” means so much of the rent in respect of the taxable period paid—

(a) by the employee,

(b) in respect of the accommodation,

(c) to the person providing it, and

(d) on or before 6 July following the tax year which contains the taxable period, as exceeds the rental value of the accommodation.

(10) Where it is necessary for the purposes of subsection (1)(b) and (3)(a) to apportion an amount of earnings to the benefit of the accommodation in the taxable period, the apportionment is to be made on a just and reasonable basis.

In this subsection “earnings” is to be interpreted in accordance with section 69B(5).”
(25) Section 105 (cash equivalent: cost of accommodation not over £75,000) is amended as follows.

(26) In subsection (1), after “equivalent” insert “or modified cash equivalent”.

(27) After subsection (2) insert—

“(2A) The modified cash equivalent is equal to the rental value of the accommodation for the taxable period.”

(28) Section 106 (cash equivalent: cost of accommodation over £75,000) is amended as follows.

(29) In subsection (1), after “equivalent” insert “or modified cash equivalent”.

(30) After subsection (2) insert—

“(2A) to calculate the modified cash equivalent—

(a) apply steps 1 to 3 in subsection (2), as if the words “cash equivalent” in step 1 were “modified cash equivalent (for the purposes of section 105)”; and

(b) section 120(1) does not apply.

(31) Section 109 (priority of Chapter 5 over Chapter 1 of Part 3 of the Act) is amended as follows.

(32) In subsection (1)(a), for “the cash equivalent of the benefit of living accommodation” substitute “an amount”.

(33) In subsection (2), for “of the cash equivalent” substitute “mentioned in subsection (1)(a)”. and

(34) In subsection (4), in the words before paragraph (a), for “cash equivalent of the benefit of the living accommodation” substitute “amount mentioned in subsection (1)(a)”. and

(35) In section 114 (cars, vans and related benefits), in subsection (2)—

(a) in paragraph (a), for “the cash equivalent of” substitute “an amount in respect of”; and

(b) in paragraph (b), for “the cash equivalent of” substitute “an amount in respect of”;

(36) Section 119 (where alternative to benefit of car or van offered) is amended as follows.

(37) For subsection (1) substitute—

“(1) This section applies where in a tax year—

(a) a car is made available as mentioned in section 114(1),

(b) the car’s CO₂ emissions figure (see sections 133 to 138) does not exceed 75 grams per kilometre, and

(c) an alternative to the benefit of the car is offered.”

(38) In the heading, before “car” insert “low emission”. and

(39) In section 120 (benefit of car treated as earnings), after subsection (3) insert—

“(4) This section is subject to section 120A.”

(40) After section 120 insert—

“120A Benefit of car treated as earnings: optional remuneration arrangements

(1) Where this Chapter applies to a car in relation to a particular tax year and the conditions in subsection (3) are met—

(a) the relevant amount (see section 121A) is to be treated as earnings from the employment for that tax year, and

(b) section 120(1) does not apply.

(2) In such a case (including a case where the relevant amount is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the car in the tax year.

(3) The conditions are that—

(a) the car is made available to the employee or member of the employee’s household pursuant to optional remuneration arrangements,

(b) the amount foregone (see section 69B) with respect to the benefit of the car for the tax year is greater than the modified cash equivalent of the benefit of the car for the tax year (see section 121B), and

(c) the car’s CO₂ emissions figure (see sections 133 to 138) exceeds 75 grams per kilometre.”

(41) After section 121 insert—

“121A Optional remuneration arrangements: method of calculating relevant amount

(1) To find the relevant amount for the purposes of section 120A, take the following steps—

Step 1

Take the amount foregone with respect to the benefit of the car for the tax year.

Step 2

Make any deduction under section 132A in respect of capital contributions made by the employee to the cost of the car or accessories.

The resulting amount is the provisional sum.

Step 3

Make any deduction from the provisional sum under section 144 in respect of payments by the employee for the private use of the car.

The result is the “relevant amount” for the purposes of section 120A.

(2) Where it is necessary, for the purpose of determining the “amount foregone” under step 1 of subsection (1), to apportion an amount of earnings to the benefit of the car for the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection “earnings” is to be interpreted in accordance with section 69B(5).

“121B Meaning of “modified cash equivalent”

(1) The “modified cash equivalent” of the benefit of a car for a tax year is calculated in accordance with the following steps (which must be read with subsections (2) to (4))—

Step 1

Find the price of the car in accordance with sections 122 to 124A.

Step 2

Add the price of any accessories which fall to be taken into account in accordance with sections 125 to 131.

The resulting amount is the interim sum.

Step 3

Find the appropriate percentage for the car for the year in accordance with sections 133 to 142.

Step 4

Multiply the interim sum by the appropriate percentage for the car for the year.

The resulting amount is the interim sum.

Step 5

Make any deduction under section 143 for any periods when the car was unavailable.

The resulting amount is the modified cash equivalent of the benefit of the car for the year.

(2) Where the car is shared the modified cash equivalent is calculated under this section in accordance with section 148.

(3) The modified cash equivalent of the benefit of a car for a tax year is to be taken to be zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of car for the tax year would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(5) The method of calculation set out in subsection (1) is modified in the special cases dealt with in—

(a) section 146 (cars that run on road fuel gas), and

(b) section 147A (classic cars: optional remuneration arrangements).”
(42) In section 126 (amounts taken into account in respect of
accessories), in subsection (1), in the words before paragraph (a),
after “121(1)” insert “and step 2 of section 121B(1)”.  
(43) Section 131 (replacement accessories) is amended as follows.
(44) In subsection (1), in the words before paragraph (a), after
“applies” insert “for the purposes of sections 121(1) and
121B(1)”.  
(45) After subsection (1) insert—
“(1A) In the application of this section for the purposes of
section 121B(1)—
(a) references to the cash equivalent of the benefit of
the car for the tax year are to be read as references to
the modified cash equivalent of the benefit of the car for
the tax year, and
(b) references to step 2 of section 121(1) are to be read as
references to step 2 of section 121B(1).”
(46) In section 132 (capital contributions by employee), in
subsection (1), in the words before paragraph (a), after “applies” insert “for the purposes of section 121(1)”.  
(47) After section 132 insert—
“132A Capital contributions by employee: optional remuneration
arrangements
(1) This section applies for the purposes of section 121A(1) if
the employee contributes a capital sum to expenditure on the
provision of—
(a) the car, or
(b) any qualifying accessory which is taken into account
in calculating under section 121B the modified cash
equivalent of the benefit of the car.
(2) A deduction is to be made from the amount carried
forward from step 1 of section 121A(1)—
(a) for the tax year in which the contribution is made, and
(b) for all subsequent tax years in which the employee is
chargeable to tax in respect of the car by virtue of
section 120A.
(3) The amount of the deduction allowed in any tax year is
found by multiplying the capped amount by the appropriate
percentage.
(4) In subsection (3) the reference to “the appropriate percentage”
is to the appropriate percentage for the car for the tax year
(determined in accordance with sections 133 to 142).
(5) In this section “the capped amount” means the lesser of—
(a) the total of the capital sums contributed by the
employee in that year and any earlier years to
expenditure on the provision of—
(i) the car, or
(ii) any qualifying accessory which is taken into
account in calculating under section 121B the
modified cash equivalent of the benefit of the car
for the tax year in question, and
(b) £5,000.
(6) This section is modified by section 147A (optional
remuneration arrangements: classic cars).”
(48) Section 143 (deduction for periods when car unavailable) is
amended as follows.
(49) Before subsection (1) insert—
“(A1) This section has effect for the purposes of—
(a) section 121(1) (method of calculating the cash
equivalent of the benefit of a car), and
(b) section 121B(1) (optional remuneration arrangements:
meaning of “modified cash equivalent”).”
(50) In subsection (1), after “121(1)” insert “or (as the case may
be) step 4 of section 121B(1)”.  
(51) In subsection (3), in the definition of “A”, at the end insert
“of section 121(1) or (as the case may be) step 4 of section 121B(1)”.  
(52) Section 144 (deduction for payments for private use) is
amended as follows.
(53) In subsection (1), for “calculated under step 7 of section
121(1)” substitute “(see subsection (1A))”.  
(54) After subsection (1) insert
“(1A) In this section “the provisional sum” means the
provisional sum calculated under—
(a) step 7 of section 121(1) (method of calculating the cash
equivalent of the benefit of a car), or
(b) step 2 of section 121A(1) (optional remuneration
arrangements: method of calculating relevant amount”).”
(55) In subsection (2), for the words from “so that” to the end
substitute “so that—
(a) in a case within subsection (1A)(a), the cash equivalent
of the benefit of the car for the year is nil, or
(b) in a case within subsection (1A)(b), the relevant
amount for the purposes of section 120A is nil.”
(56) In subsection (3)—
(a) for “In any other case” substitute “Where subsection
(2) does not apply,” and
(b) for the words from “give” to the end substitute “give—
(a) in a case within subsection (1A)(a), the cash equivalent
of the benefit of the car for the year, or
(b) in a case within subsection (1A)(b), the relevant
amount for the purposes of section 120A.”
(57) Section 145 (modification of provisions where car temporarily
replaced) is amended as follows.
(58) In subsection (1), for paragraph (c) substitute—
“(c) the employee is chargeable to tax—
(i) in respect of both the normal car and the replacement
car by virtue of section 120, or
(ii) in respect of both the normal car and the
replacement car by virtue of section 120A, and”.
(59) After subsection (5) insert—
“(6) Where this section applies by virtue of subsection
1(c)(ii), the condition in subsection (5)(b) is to be taken to be
met if it would be met on the assumption that the cash equivalent
of the benefit of the cars in question is to be calculated under
section 121 (1).”
(60) Section 146 (cars that run on road fuel gas) is amended as
follows.
(61) In subsection (1), in the words before paragraph (a), after
“applies” insert “for the purposes of sections 121 and 121B”.  
(62) In subsection (2), after “121(1)” insert “or (as the case may
be) step 1 of section 121B(1)”.  
(63) After subsection 147 insert—
“147A Classic cars: optional remuneration arrangements
(1) This section applies in calculating the relevant amount in
respect of a car for a tax year for the purposes of section 120A
(benefit of car treated as earnings: optional remuneration
arrangements) if—
(a) the age of the car at the end of the year is 15 years or
more,
(b) the market value of the car for the year is £15,000 or
more, and
(c) that market value exceeds the specified amount (see
subsection (4)).
(2) In calculating the modified cash equivalent of the benefit
of the car, for the interim sum calculated under step 2 of section
121B(1) substitute the market value of the car for the tax year in
question.
(3) Section 132A (capital contributions by employee: optional
remuneration arrangements) has effect as if—
(a) in subsection (1)(b) the reference to calculating under
section 121B the modified cash equivalent of the
benefit of the car were to determine the market
value of the car, and
(b) in subsection (3)(a)(ii) the reference to calculating
under section 121B the modified cash equivalent of
the benefit of the car for the tax year in question were
to determining the market value of the car for the tax year in question.

(4) The “specified amount” is found as follows.

Step 1
Find what would be the interim sum under step 2 of section 121B(1) (if subsection (2) of this section did not have effect).

Step 2
(2) The conditions are that—
(a) the van is made available to the employee or member of the employee’s household pursuant to optional remuneration arrangements, and
(b) the amount foregone with respect to the benefit of the van (see section 69B) is greater than the modified cash equivalent of the benefit of the van.

(3) To find the relevant amount for the purposes of this section take the following steps—

Step 1
Take the amount foregone with respect to the benefit of the van for the tax year.

Step 2
Make any deduction under section 158A in respect of payments by the employee for the private use of the van.

The result is “relevant amount”.

(4) In subsection (2) the reference to the “modified cash equivalent” is to the amount which would be the cash equivalent of the benefit of the van (after any reductions under section 156 or 157) if this Chapter had effect the following modifications—

(a) omit paragraph (c) of section 155(8);
(b) omit section 158;
(c) in section 159(2)(b), for “155, 157 and 158” substitute “155 and 157”.

(5) For the purposes of subsection (2) assume that the modified cash equivalent of the benefit of the van is zero if the condition in subsection (6) is met.

(6) The condition is that the benefit of the van would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) Where it is necessary for the purposes of subsections (2)(a) and (3) to apportion an amount of earnings to the benefit of the fuel in the tax year, the apportionment is to be made on a just and reasonable basis. In this subsection “earnings” is to be interpreted in accordance with section 69B(5)."

(71) In section 154 (benefit of van treated as earnings), after subsection (3) insert—

“(4) This section is subject to section 154A.”

(72) After section 154 insert—

“154A Benefit of van treated as earnings: optional remuneration arrangements

(1) Where this Chapter applies to a van in relation to a particular tax year and the conditions in subsection (2) are met—
(a) the relevant amount is to be treated as earnings from the employment for that tax year, and
(b) section 154(1) does not apply.

In such a case (including a case where the relevant amount is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the van in the tax year.

(2) The conditions are that—
(a) the van is made available to the employee or member of the employee’s household pursuant to optional remuneration arrangements, and
(b) the amount foregone with respect to the benefit of the van (see section 69B) is greater than the modified cash equivalent of the benefit of the van.

(3) To find the relevant amount for the purposes of this section take the following steps—

Step 1
Take the amount foregone with respect to the benefit of the van for the tax year.

Step 2
Make any deduction under section 158A in respect of payments by the employee for the private use of the van.

The result is “relevant amount”.

(4) In subsection (2) the reference to the “modified cash equivalent” is to the amount which would be the cash equivalent of the benefit of the van (after any reductions under section 156 or 157) if this Chapter had effect the following modifications—

(a) omit paragraph (c) of section 155(8);
(b) omit section 158;
(c) in section 159(2)(b), for “155, 157 and 158” substitute “155 and 157”.

(5) For the purposes of subsection (2) assume that the modified cash equivalent of the benefit of the van is zero if the condition in subsection (6) is met.

(6) The condition is that the benefit of the van would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) Where it is necessary for the purposes of subsections (2)(a) and (3) to apportion an amount of earnings to the benefit of the van in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection “earnings” is to be interpreted in accordance with section 69B(5)."

(73) After section 158 insert—

“158A Van provided pursuant to optional remuneration arrangements: private use

(1) In calculating the relevant amount under section 154A in relation to a van and a tax year, a deduction is to be made under step 2 of subsection (3) of that section if, as a condition of the van being available for the employee’s private use, the employee—
(a) is required in that year to pay (whether by way of deduction from earnings or otherwise) an amount of money for that use, and
(1) In section 175(1A) “the relevant amount”, in relation to a loan the benefit of which is provided pursuant to optional remuneration arrangements, means the difference between—
(a) the amount foregone (see section 69B) with respect to the benefit of the loan, and
(b) the amount of interest (if any) actually paid on the loan for the tax year.

(2) For the purposes of section 175 the “modified cash equivalent” of the benefit of an employment-related loan for a tax year is the amount which would be the cash equivalent if section 175(3) had effect with the following modifications—
(a) in the opening words, omit “the difference between”;
(b) omit paragraph (b) and the “and” before it.”

(3) But the modified cash equivalent of the benefit of the loan is to be taken to be zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of the loan for the tax year would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(5) For the purpose of calculating the modified cash equivalent of the benefit of an employment-related loan, assume that section 186(2) (replacement loans: aggregation) and section 187(3) (aggregation of loans by close company to a director) do not have effect.

(6) Where it is necessary for the purposes of section 175(1B) and subsection (1) of this section to apportion an amount of earnings to the benefit of the loan for the tax year, the apportionment is to be made on a just and reasonable basis. In this subsection “earnings” is to be interpreted in accordance with section 69B(5).”

(82) In section 180 (threshold for benefit of loan to be treated as earnings), in subsection (1), for the words before paragraph (a) substitute “Section 175 does not have effect in relation to an employee and a tax year—”.

(83) In section 184 (interest treated as paid), in subsection (1), for the words from “the cash equivalent” to the end substitute “—
(a) the cash equivalent of the benefit of a taxable cheap loan is treated as earnings from an employee’s employment for a tax year under section 175(1), or
(b) the relevant amount in respect of the benefit of a taxable cheap loan is treated as earnings from an employee’s employment for a tax year under section 175(1A).”

(84) In section 202 (excluded benefits), after subsection (1) insert—
“(1A) But a benefit provided to an employee or member of an employee’s family or household is to be taken not to be an excluded benefit by virtue of subsection (1)(c) so far as it is provided under optional remuneration arrangements.”

(85) After section 203 insert—
“203A Employment-related benefit provided under optional remuneration arrangements
(1) Where an employment-related benefit is provided pursuant to optional remuneration arrangements—
(a) the relevant amount is to be treated as earnings from the employment for the tax year in which the benefit is provided, and
(b) section 203(1) does not apply.

(2) To find the relevant amount, first determine which (if any) is the greater of—
(a) the cost of the employment-related benefit, and
(b) the amount foregone with respect to the benefit (see section 69B).

(3) If the cost of the employment-related benefit is greater than or equal to the amount foregone, the “relevant amount” is the cash equivalent (see section 203(2)).

(4) Otherwise, the “relevant amount” is—
(a) the amount foregone with respect to the employment-related benefit, less
(b) any part of the cost of the benefit made good by the employee, to the persons providing the benefit, on or before 6 July following the tax year in which it is provided.

(5) For the purposes of subsections (2) and (3), assume that the cost of the employment-related benefit is zero if the condition in subsection (6) is met.

(6) The condition is that the employment-related benefit would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) Where it is necessary for the purposes of subsections (2)(b) and (4) to apportion an amount of earnings to the benefit provided in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection “earnings” is to be interpreted in accordance with section 69B(5)."


“228A General exclusion from exemptions: optional remuneration arrangements

(1) A relevant exemption does not apply (whether to prevent liability to income tax from arising or to reduce liability to income tax) in respect of a benefit or facility so far as the benefit or facility is provided pursuant to optional remuneration arrangements.

(2) For the purposes of subsection (1) it does not matter whether the relevant exemption would (apart from that subsection) have effect as an employment income exemption or an earnings-only exemption.

(3) For the purposes of this section an exemption conferred by this Part is a “relevant exemption” unless it is—

(a) a special case exemption (see subsection (4)), or
(b) an excluded exemption (see subsection (5)).

(4) “Special case exemption” means an exemption conferred by any of the following provisions—

(a) section 289A (exemption for paid or reimbursed expenses);
(b) section 289D (exemption for other benefits);
(c) section 305B (independent advice in respect of conversions and transfers of pension scheme benefits);
(d) section 312A (limited exemption for qualifying bonus payments);
(e) section 317 (subsidised meals);
(f) section 320C (recommended medical treatment);
(g) section 323A (trivial benefits provided by employers).

(5) “Excluded exemption” means an exemption conferred by any of the following provisions—

(a) section 239 (payments and benefits connected with taxable cars and vans and exempt heavy goods vehicles);
(b) section 244 (cycles and cyclist’s safety equipment);
(c) section 266(2)(c) (non-cash voucher regarding entitlement to exemption within section 244);
(d) section 270A (limited exemption for qualifying childcare vouchers);
(e) section 308 (exemption of contribution to registered pension scheme);
(f) section 308A (exemption of contributions to overseas pension scheme);
(g) section 308C (provision of pensions advice);
(h) section 309 (limited exemptions for statutory redundancy payments);
(i) section 310 (counselling and other outplacement services);
(j) section 311 (retraining courses);
(k) section 318 (childcare: exemption for employer-provided care);
(l) section 318A (childcare: limited exemption for other care).

(6) In this section “benefit or facility” includes anything which constitutes employment income or in respect of which employment income is treated as arising to the employee (regardless of its form and the manner of providing it).

(7) In this section “optional remuneration arrangements” has the same meaning as in the benefits code (see section 69A).

(8) The Treasury may by order amend subsections (4) and (5) by adding or removing an exemption conferred by Part 4.”

(87) Section 19 of the Income Tax (Earnings and Pensions) Act 2003 (receipt of non-money earnings) is amended as follows.

(88) In subsection (2), after “94” insert “or 94A”.

(89) In subsection (3), after “87” insert “or 87A”.

(90) In section 95 of the Income Tax (Earnings and Pensions) Act 2003 (disregard for money, goods or services obtained, in subsection (1), in the words before paragraph (a), after “credit-token” insert “or the relevant amount in respect of a cash voucher, a non-cash voucher or a credit-token”.

(91) In section 236 of the Income Tax (Earnings and Pensions) Act 2003 (interpretation of Chapter 2 of Part 4: exemptions for mileage allowance relief etc), in subsection (2)(b)—

(a) in the words before sub-paragraph (i), after “the cash equivalent of” substitute “an amount in respect of”;
(b) in sub-paragraph (i), after “120” insert “or 120A”;
(c) in sub-paragraph (ii), after “154” insert “or 154A”;
(d) in sub-paragraph (iii), after “203” insert “or 203A”.

(92) In section 236 of the Income Tax (Earnings and Pensions) Act 2003 (interpretation of Chapter 2 of Part 4), in subsection (2)(c), for “the cash equivalent of” substitute “an amount in respect of”.

(93) Section 239 of the Income Tax (Earnings and Pensions) Act 2003 (payments and benefits connected with taxable cars and vans etc) is amended as follows.

(94) In subsection (3)—

(a) after “149” insert “or 149A”;
(b) after “160” insert “or 160A”.

(95) In subsection (6), for “the cash equivalent of” substitute “an amount (whether the cash equivalent or the relevant amount) in respect of”.

(96) In section 362 of the Income Tax (Earnings and Pensions) Act 2003 (deductions where non-cash voucher provided, in subsection (1)(a), for “87(1) (cash equivalent)” substitute “87(1) or 87A(1) (amount in respect”.

(97) In section 318A of the Income Tax (Earnings and Pensions) Act 2003 (childcare: limited exemption for other care), in subsection (1)(b), for “cash equivalent of the benefit” substitute “amount treated as earnings in respect of the benefit by virtue of section 203(1) or 203A(1) (as the case may be)”.

(98) In section 363 of the Income Tax (Earnings and Pensions) Act 2003 (deductions where credit-token provided, in subsection (1)(a), for “94(1) (cash equivalent)” substitute “94(1) or 94A(1) (amount in respect”.

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In section 693 of the Income Tax (Earnings and Pensions) Act 2003 (cash vouchers), in subsection (1), for “subsection (2)” substitute “subsection (2) of, or (as the case may be) be referred to in subsection (1A)(b) of, section 81”.

In section 694 of the Income Tax (Earnings and Pensions) Act 2003 (non-cash vouchers), in subsection (1), after “87(2)” insert “or 87A(4)”.

In section 695 of the Income Tax (Earnings and Pensions) Act 2003 (benefit of credit-token treated as earnings), after subsection (1) insert—

“(1A) If the credit-token is provided pursuant to optional remuneration arrangements, the reference in subsection (1) to the amount ascertained under section 94(2) is to be read as a reference to what that amount would be were the credit-token provided otherwise than pursuant to optional remuneration arrangements.

In this subsection “optional remuneration arrangements” is to be interpreted in accordance with section 69A.”

In Part 2 of Schedule 1 to the Income Tax (Earnings and Pensions) Act 2003 (index of defined expressions), at the appropriate places insert—

“amount foregone (in relation to a benefit) (in the benefits code) Section 69B”

“optional remuneration arrangements (in the benefits code) Section 69A”

In Part 2 of Schedule 1 to the Income Tax (Earnings and Pensions) Act 2003 (index of defined expressions), in the entry relating to “the taxable period”, for “102(2)” substitute “102(1)”.

The amendments made by paragraphs (1), (91)(a), (92) and (102) of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

The amendments made by paragraphs (2) to (90), (91)(b) to (d), (93) to (101) and (103) of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

But paragraph (105) does not apply in relation to benefits provided pursuant to pre-6 April 2017 arrangements.

In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendment made by paragraph 86 has effect for the tax year 2018-19 and subsequent tax years.

In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendments made by paragraphs (9) to (78), (91)(b) and (c), (93) to (95) and (103) (and paragraph (2), so far as relating to those paragraphs) have effect for the tax year 2021-22 and subsequent tax years.

In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendments made by paragraphs (3) to (8), (79) to (85), (87) to (90), (91)(d) and (96) to (101) (and paragraph (2), so far as relating to those paragraphs) have effect for the tax year 2018-19 and subsequent tax years (but see paragraph (115)).

If any terms of a pre-6 April 2017 arrangement which relate to the provision of a particular benefit are varied on or after 6 April 2017, that benefit is treated, with effect from the beginning of the day on which the variation takes effect, as not being provided pursuant to pre-6 April 2017 arrangements for the purposes of this Resolution.

If pre-6 April 2017 arrangements are renewed on or after 6 April 2017, this Resolution has effect as if those arrangements were entered into at the beginning of the day on which the renewal takes effect (and are distinct from the arrangements existing immediately before that day).

In paragraph (111) the reference to renewal includes a renewal which takes effect automatically.

In paragraph (110) the reference to variation does not include any variation which is required in connection with accidental damage to a benefit provided under the arrangements, or otherwise for reasons beyond the control of the parties to the arrangements.

In paragraph (110) the reference to variation does not include any variation which occurs in connection with a person’s entitlement to statutory sick pay, statutory maternity pay, statutory adoption pay, statutory paternity pay or statutory shared parental pay.

In relation to relevant school fee arrangements which were entered into before 6 April 2017—

(a) paragraph (109) is to be read as if it did not include a reference to paragraph (85);

(b) the amendment made by paragraph (85) has effect for the tax year 2021-22 and subsequent tax years.

Relevant school fee arrangements to which an employee is a party (“the continuing arrangements”) are to be regarded for the purposes of this Resolution as the same arrangements as any relevant school fee arrangements to which the employee was previously a party (“the previous arrangements”) if the continuing arrangements and the previous arrangements relate—

(a) to employment with the same employer,

(b) to the same school, and

(c) to school fees in respect of the same child.

Paragraphs (110) and (111) do not have effect in relation to relevant school fee arrangements.

If a non-cash voucher is provided under pre-6 April 2017 arrangements and is used to obtain anything (whether money, goods or services) that is provided on or after 6 April 2018 (“delayed benefits”), so much of the benefit of the voucher as it is reasonable to regard as being applied to obtain the delayed benefits is to be treated for the purposes of this Resolution as not having been provided pursuant to pre-6 April 2017 arrangements.

For the purposes of this Resolution arrangements are “relevant school fee arrangements” if the benefit mentioned in section 69A(1) of the Income Tax (Earnings and Pensions) Act 2003 consists in the payment or reimbursement (in whole or in part) of, or a waiver or reduction of, school fees.

In this Resolution—

(a) “arrangements” means optional remuneration arrangements (as defined in section 69A of the Income Tax (Earnings and Pensions) Act 2003);

(b) “benefit” includes any benefit or facility, regardless of the manner of providing it;

(c) “non-cash voucher” has the same meaning as in Chapter 4 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003;

(d) “pre-6 April 2017 arrangements” means arrangements which are entered into before 6 April 2017.

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

9. TAXABLE BENEFITS (MAKING GOOD)
Resolved.
That provision may be made about making good the cost of taxable benefits.

10. TAXABLE BENEFITS (ASSETS MADE AVAILABLE WITHOUT TRANSFER)
Resolved.
That—

(1) The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 205 (cost of taxable benefit subject to the residual charge: asset made available without transfer)—
(a) in subsection (1), for paragraph (a) substitute—
“(a) the benefit consists in an asset being made available for private use, and”;
(b) after subsection (1) insert—
“(1A) In this section and section 205A, “private use” means private use by the employee or a member of the employee’s family or household.

(1B) For the purposes of subsection (1) and sections 205A and 205B, an asset made available in a tax year for use by the employee or a member of the employee’s family or household is to be treated as made available throughout the year for private use unless—
(a) at all times in the year when it is available for use by the employee or a member of the employee’s family or household, the terms under which it is made available prohibit private use, and
(b) no private use is made of it in the year.

(1C) The cost of the taxable benefit is—
(a) the annual cost of the benefit determined in accordance with subsection (2), less
(b) any amount required to be deducted by section 205A (deduction for periods when asset unavailable for private use).

(1D) In certain cases, the cost of the taxable benefit is calculated under this section in accordance with section 205B (reduction of cost of taxable benefit where asset is shared).”, and

(c) in subsection (2), in the words before paragraph (a), for “cost of the taxable substitute “annual cost of the”.

(3) After section 205 insert—
“Deduction for periods when asset unavailable for private use

(1) A deduction is to be made under section 205(1C)(b) if the asset mentioned in section 205(1) has been unavailable for private use on any day during the tax year concerned.

(2) For the purposes of this section an asset is “unavailable” for private use on any day if—
(a) that day falls before the day on which the asset is first available to the employee,
(b) that day falls after the day on which the asset is last available to the employee,
(c) for more than 12 hours during that day the asset—
(i) is not in a condition fit for use, (ii) is undergoing repair or maintenance,
(iii) could not lawfully be used,
(iv) is in the possession of a person who has a lien over it and who is not the employer, not a person connected with the employer, not the employee, not a member of the employee’s family and not a member of the employee’s household, or
(v) is used in a way that is neither use by, nor use at the direction of, the employee or a member of the employee’s family or household, or

d) on that day the employee—
(i) uses the asset in the performance of the duties of the employment, and
(ii) does not use the asset otherwise than in the performance of the duties of the employment.

(3) The amount of the deduction is given by—
\[
\frac{U}{Y} \times A
\]

Where—
U is the number of days, in the tax year concerned, on which the asset is unavailable for private use,
Y is the number of days in that year, and
A is the annual cost of the benefit of the asset determined under section 205(2).

4. The reference in subsection (2)(a) to the time when the asset is first available to the employee is to the earliest time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.

5. The reference in subsection (2)(b) to the time when the asset is last available to the employee is to the last time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.

205B Reduction of cost of taxable benefit where asset is shared

(1) This section applies where the cost of an employment-related benefit (“the taxable benefit”) is to be determined under section 205.

(2) If, for the whole or part of the tax year concerned, the same asset is available for more than one employee’s private use at the same time, the total of the amounts which are the cost of the taxable benefit for each of those employees is to be limited to the annual cost of the benefit of the asset determined in accordance with section 205(2).

(3) The cost of the taxable benefit for each employee is determined by taking the amount given by section 205(1C) and then reducing that amount on a just and reasonable basis.

(4) For the purposes of this section, an asset is available for an employee’s private use if it is available for private use by the employee or a member of the employee’s family or household.”

(4) In section 365 (deductions where employment-related benefit provided)—

(a) in subsection (1)—
(i) omit the “and” at the end of paragraph (a), and
(ii) after that paragraph insert—
“(aa) the cost of the benefit was determined under section 204 or 206, and”, and

(b) in subsection (3), for “sections 204 to 206” substitute “section 204 or 206”, and

(c) in the heading, for “employment-related benefit” substitute “certain employment-related benefits”.

(5) The amendments made by this Resolution have effect for the tax year 2017-18 and subsequent tax years.

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

11. PENSIONS

Resolved,
That provision may be made about the taxation of pensions.

12. PENSIONS (OFFSHORE TRANSFERS)

Resolved,
That—

(1) Schedule 34 to the Finance Act 2004 (non-UK pension schemes: application of certain charges) is amended as follows.

(2) Paragraph 1 (application of member payment charges to relevant non-UK schemes) is amended as follows.

(3) After sub-paragraph (6) insert—
“(6A) There are three types of relevant transfer—
(a) an original relevant transfer,
(b) a subsequent relevant transfer, and
(c) any other (including, in particular, all relevant transfers before 9 March 2017).

(6B) “An original relevant transfer” is—
(a) a relevant transfer within sub-paragraph (6)(a) made on or after 9 March 2017,
(b) a relevant transfer made on or after 9 March 2017, of the whole or part of the UK tax-relieved fund of a relieved member of a qualifying recognised overseas pension scheme, or
(c) a relevant transfer within sub-paragraph (6)(b), made on or after 6 April 2017, of the whole or part of the UK tax-relieved fund of a relieved member of a relevant non-UK scheme that is not a qualifying recognised overseas pension scheme.

(6C) The sums or assets transferred as a result of an original relevant transfer constitute a ring-fenced transfer fund, and the key date for that fund is the date of the transfer.

(6D) Where in the case of a ring-fenced transfer fund ("the source fund") there is a relevant transfer of the whole or part of the fund—

(a) the sums or assets transferred as a result of the transfer constitute a ring-fenced transfer fund,

(b) that fund has the same key date as the source fund, and

(c) the transfer is a "subsequent relevant transfer", and is not an original relevant transfer.

(6E) Sub-paragraph (6D) applies whether the source fund is a ring-fenced transfer fund as a result of sub-paragraph (6C) or as a result of sub-paragraph (6D).

(6F) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide that sums or assets identified in accordance with the regulations are not included in a ring-fenced transfer fund as a result of sub-paragraph (6D)(a).”

(4) Paragraph 2 (member payment provisions apply to payments out of non-UK schemes if member is UK resident or has been UK resident in any of the preceding 5 tax years) is amended as follows.

(5) The existing text becomes sub-paragraph (1).

(6) In that sub-paragraph, after “scheme” insert “so far as it is referable to 5-year-rule funds”.

(7) After that sub-paragraph insert—

(2) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a transfer member of a relevant non-UK scheme so far as it is referable to 10-year rule funds unless the member—

(a) is resident in the United Kingdom when the payment is made (or treated as made), or

(b) although not resident in the United Kingdom at that time, has been resident in the United Kingdom earlier in the tax year in which the payment is made (or treated as made) or in any of the 10 tax years immediately preceding that year.

(3) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a transfer member of a relevant non-UK scheme, so far as it is referable to any particular ring-fenced transfer fund of the member’s under the scheme which has a key date of 6 April 2017 or later, unless—

(a) the member is resident in the United Kingdom when the payment is made (or treated as made), or

(b) although the member is not resident in the United Kingdom at that time—

(i) the member has been resident in the United Kingdom earlier in the tax year containing that time, or

(ii) the member has been resident in the United Kingdom in any of the 10 tax years immediately preceding the tax year containing that time, or

(iii) that time is no later than the end of 5 years beginning with the key date for the particular fund.

(4) In this paragraph—

“5-year rule funds”, in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member’s UK tax-relieved fund under the scheme as represents tax-relieved contributions, or tax-exempt provision, made under the scheme before 6 April 2017;

“5-year rule funds”, in relation to a payment to or in respect of a transfer member of a relevant non-UK scheme, means—

(a) the member’s relevant transfer fund under the scheme, and

(b) any of the member’s ring-fenced transfer funds under the scheme that has a key date earlier than 6 April 2017;

“10-year rule funds”, in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member’s UK tax-relieved fund under the scheme as represents tax-relieved contributions, or tax-exempt provision, made under the scheme on or after 6 April 2017.

(5) See also—

paragraph 1(6C), (6D) and (6F) (meaning of “ring-fenced transfer fund”),

paragraph 3 (meaning of “UK tax-relieved fund”, “tax-relieved contributions” and “tax-exempt provision” etc), and

paragraph 4 (meaning of “relevant transfer fund” etc).

(8) Paragraph 3 (payments to or in respect of relieved members of schemes) is amended as follows.

(9) After sub-paragraph (5) insert—

“(5A) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide that, in circumstances specified in the regulations, something specified in the regulations is to be treated as done by, to in respect of or in the case of a relieved member of a relevant non-UK scheme.”

(10) In sub-paragraph (6) (power to specify whether payments by scheme are referable to UK tax-relieved fund) after “payments made (or treated as made) by” insert “, or other things done by or to or under or in respect of or in the case of,”.

(11) After sub-paragraph (7) insert—

“(8) Where regulations under sub-paragraph (6) make provision for a payment or something else to be treated as referable to a member’s UK tax-relieved fund under a scheme, regulations under that sub-paragraph may make provision for the payment or thing, or any part or aspect of the payment or thing, also to be treated as referable to a particular part of that fund.”

(12) Paragraph 4 (payments to or in respect of transfer members of schemes) is amended as follows.

(13) In sub-paragraph (1), after “relevant transfer fund” insert “, or ring-fenced transfer funds,”.

(14) In sub-paragraph (2) (meaning of “relevant transfer fund”), before “so much of” insert “, subject to sub-paragraph (3A),”.

(15) After sub-paragraph (3) insert—

“(3A) The member’s relevant transfer fund under the scheme does not include sums or assets that are in any of the member’s ring-fenced transfer funds under the scheme.”

(16) After sub-paragraph (4) insert—

“(5) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide that, in circumstances specified in the regulations, something specified in the regulations is to be treated as done by, to, in respect of or in the case of a transfer member of a relevant non-UK scheme.

(6) Regulations made by the Commissioners for Her Majesty’s Revenue and Customs may make provision for determining whether payments or transfers made (or treated as made) by, or other things done by or to or under or in respect of or in the case of, a relevant non-UK scheme are to be treated as referable to a member’s ring-fenced transfer funds under the scheme (and so whether or not they reduce the funds or any of them).

(7) Where regulations under sub-paragraph (6) make provision for a payment or transfer or something else to be treated as referable to a member’s ring-fenced transfer funds under a scheme, regulations under that sub-paragraph may make provision for the payment or transfer or other thing, or any part or aspect of the payment or transfer or thing, also to be treated as referable to a particular one of those funds.

(17) In paragraph 7(2)(c) (regulations about application of member payment provisions), after “relevant transfer fund” insert “or ring-fenced transfer funds”.

(18) Paragraph 9ZB (application of section 227G) is amended as follows.

(19) In sub-paragraph (2), after “relevant transfer fund” insert “or ring-fenced transfer funds”.

(20) After sub-paragraph (3) insert—
The reference in sub-paragraph (2) to the individual’s ring-fenced transfer funds under the relevant non-UK scheme is to be read in accordance with paragraph 1.

The amendments made by paragraphs (4) to (7) of this Resolution apply in relation to payments made (or treated as made) on or after 6 April 2017, and the amendments made by paragraphs (3) and (8) to (20) of this Resolution come into force on 9 March 2017.

(22) Section 576A of the Income Tax (Earnings and Pensions) Act 2003 (as it applies where the year of departure is the tax year on 9 March 2017.

(23) In subsection (6)(b) (pension income: temporary non-residents: non-application where payment not referable to relevant transfer fund)—

(c) for “not referable” substitute “referable neither”, and

(d) after “relevant transfer fund” insert “, nor to the member’s ring-fenced transfer funds.”.

(24) In subsection (10) (interpretation), at the end insert—

““member’s ring-fenced transfer fund” (see paragraph 1(6C) and (6D)).”.

(25) Section 576A of the Income Tax (Earnings and Pensions) Act 2003, as it applies where the year of departure is the tax year 2012-13 or on an earlier tax year, is amended as follows.

(26) In subsection (6) (pension income: temporary non-residents: non-application unless payment referable to relevant transfer fund), after “member’s relevant transfer fund” insert “, or the member’s ring-fenced transfer funds,”.

(27) In subsection (8) (interpretation), before the definition of “scheme pension” insert—

““member’s ring-fenced transfer funds” has the same meaning as in that Schedule (see paragraph 1(6C) and (6D)).”.

(28) The amendments made by paragraphs (22) to (27) of this Resolution apply in relation to relevant withdrawals on or after 6 April 2017.

(29) In Part 4 of the Finance Act 2004 (pension schemes etc), after section 244 insert—

“Non-UK schemes: the overseas transfer charge

244A Overseas transfer charge

(1) A charge to income tax, to be known as the overseas transfer charge, arises where—

(a) a recognised transfer is made to a QROPS, or

(b) an onward transfer is made during the relevant period for the original transfer, and

and the transfer is not excluded from the charge by or under any of sections 244B to 244H.

(2) Sections 244B to 244H are subject to section 244I (circumstances in which exclusions do not apply).

(3) In this group of sections, an “onward transfer” is a transfer of sums or assets held for the purposes of, or representing accrued rights under, an arrangement under a QROPS or former QROPS in relation to a member so as to become held for the purposes of, or to represent rights under, an arrangement under another QROPS in relation to that person as a member of that other QROPS.

(4) In this group of sections “relevant period” means—

(a) in the case of a recognised transfer made on 6 April in any year, the 5 years beginning with the date of the transfer,

(b) in the case of any other recognised transfer, the period consisting of the combination of—

(i) the period beginning with the date of the transfer and ending with the next 5 April, and

(ii) the 5 years beginning at the end of that initial period,

(c) in the case of an onward transfer, the period—

(i) beginning with the date of the transfer, and

(ii) ending at the end of the relevant period for the original transfer (see paragraphs (a) and (b) or, as the case may be, paragraphs (d) and (e)),

(d) in the case of a relevant transfer that—

(i) is made on 6 April in any year, and

(ii) is the original transfer for an onward transfer, the 5 years beginning with the date of the relevant transfer, and

(e) in the case of a relevant transfer that—

(i) is made otherwise than on 6 April in any year, and

(ii) is the original transfer for an onward transfer, the period consisting of the combination of: the period beginning with the date of the relevant transfer and ending with the next 5 April; and the 5 years beginning at the end of that initial period.

(5) In this group of sections “the original transfer”, in relation to an onward transfer, means (subject to subsection (6))—

(a) the recognised transfer in respect of which the following conditions are met—

(i) it is from a registered pension scheme to a QROPS,

(ii) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it, and

(iii) it is more recent than any other recognised transfer in respect of which the conditions in sub-paragraphs (i) and (ii) are met, or

(b) where there is no such recognised transfer, the relevant transfer (see paragraph 1(6) of Schedule 34) in respect of which the following conditions are met—

(i) it is from a relevant non-UK scheme (see paragraph 1(5) of Schedule 34),

(ii) it is a transfer of the whole or part of the UK-tax relieved fund (see paragraph 3 of Schedule 34) of a member of the scheme,

(iii) it is to a QROPS, and

(iv) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it.

(6) Where apart from this subsection there would be different original transfers for different parts of an onward transfer, each such part of the onward transfer is to be treated as a separate onward transfer for the purposes of this group of sections.

(7) In this section and sections 244B to 244N—

“QROPS” means a qualifying recognised overseas pension scheme, and “former QROPS” means a scheme that has at any time been a QROPS;

“ring-fenced transfer fund”, in relation to a QROPS or former QROPS, has the meaning given by paragraph 1 of Schedule 34; “this group of sections” means this section and sections 244B to 244N.

244B Exclusion: member and receiving scheme in same country

(1) A recognised transfer to a QROPS is excluded from the overseas transfer charge if during the relevant period—

(a) the member is resident in the country or territory in which the QROPS is established, and

(b) there is no onward transfer—

(i) for which the recognised transfer is the original transfer, and

(ii) which is not excluded from the charge.

(2) If the member is resident in that country or territory at the time of the transfer mentioned in subsection (1), it is to be assumed for the purposes of subsection (1) that the member will be resident in that country or territory during the relevant period; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (1) other than by reason of the member’s death—

(a) that assumption is from that time no longer to be made, and

(b) the charge on the transfer is treated for the purposes of sections 244L and 254 as charged at that time.

(3) An onward transfer to a QROPS (“transfer A”) is excluded from the overseas transfer charge if during so much of the relevant period as is after the time of the transfer A—
(a) the member is resident in the country or territory in which the QROPS is established, and
(b) there is no subsequent onward transfer that—
   (i) is of sums and assets which, in whole or part, directly or indirectly derive from those transferred by transfer A, and
   (ii) is not excluded from the charge.

(4) If the member is resident in that country or territory at the time of transfer A, it is to be assumed for the purposes of subsection (3) that the member will be resident in that country or territory during so much of the relevant period as is after the time of transfer A; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (3) otherwise than by reason of the member’s death—
   (a) that assumption is from that time no longer to be made, and
   (b) the charge on transfer A is treated for the purposes of sections 244L and 254 as charged at that time.

**244C Exclusion: member and receiving scheme in EEA states**

(1) This section applies to a transfer to a QROPS established in an EEA state.

(2) If the transfer is a recognised transfer, the transfer is excluded from the overseas transfer charge if during the relevant period—
   (a) the member is resident in an EEA state (whether or not the same EEA state throughout that period), and
   (b) there is no onward transfer—
      (i) for which the recognised transfer is the original transfer, and
      (ii) which is not excluded from the charge.

(3) If the member is resident in an EEA state at the time of the recognised transfer mentioned in subsection (2), it is to be assumed for the purposes of this section that the member will be resident in an EEA state during the relevant period; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (2) otherwise than by reason of the member’s death—
   (a) that assumption is from that time no longer to be made, and
   (b) the charge on the transfer is treated for the purposes of sections 244L and 254 as charged at that time.

(4) If the transfer is an onward transfer (“transfer B”), the transfer is excluded from the overseas transfer charge if during so much of the relevant period as is after the time of the onward transfer—
   (a) the member is resident in an EEA state (whether or not the same EEA state at all of those times), and
   (b) there is no subsequent onward transfer that—
      (i) is of sums and assets which, in whole or part, directly or indirectly derive from those transferred by transfer B, and
      (ii) is not excluded from the charge.

(5) If the member is resident in an EEA state at the time of transfer B, it is to be assumed for the purposes of subsection (4) that the member will be resident in an EEA state during so much of the relevant period as is after the time of transfer B; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (4) otherwise than by reason of the member’s death—
   (a) that assumption is from that time no longer to be made, and
   (b) the charge on transfer B is treated for the purposes of sections 244L and 254 as charged at that time.

**244D Exclusion: receiving scheme is an occupational pension scheme**

A transfer to a QROPS is excluded from the overseas transfer charge if—

(a) the QROPS is an occupational pension scheme, and

(b) when the transfer is made, the member is an employee of a sponsoring employer of the QROPS.

**244E Exclusion: receiving scheme set up by international organisation**

(1) A transfer to a QROPS is excluded from the overseas transfer charge if—
   (a) the QROPS is established by an international organisation and has effect so as to provide benefits for, or in respect of, past service as an employee of the organisation, and
   (b) when the transfer is made, the member is an employee of the organisation.

(2) In this section “international organisation” means an organisation to which section 1 of the International Organisations Act 1968 applies by virtue of an Order in Council under subsection(1) of that section.

**244F Exclusion: receiving scheme is an overseas public service scheme**

(1) A transfer to a QROPS is excluded from the overseas transfer charge if—
   (a) the QROPS is an overseas public service pension scheme, and
   (b) when the transfer is made, the member is an employee of an employer that participates in the scheme.

(2) A QROPS is an “overseas public service pension scheme” for the purposes of this section if—
   (a) either—
      (i) it is established by or under the law of the country or territory in which it is established, or
      (ii) it is approved by the government of that country or territory,
   (b) it is established solely for the purpose of providing benefits to individuals for or in respect of services rendered to—
      (i) that country or territory, or
      (ii) any political subdivision or local authority of that country or territory.

(3) For the purposes of this section, an employer participates in a QROPS that is an overseas public service pension scheme if the scheme has effect so as to provide benefits to or in respect of any or all of the employees of the employer in respect of their employment by the employer.

**244G Exclusions: avoidance of double charge, and transitional protections**

(1) A recognised transfer to a QROPS is excluded from the overseas transfer charge if it is made in execution of a request made before 9 March 2017.

(2) An onward transfer (“the current onward transfer”) is excluded from the overseas transfer charge if—
   (a) the charge was paid on the original transfer and the amount paid is not repayable, or
   (b) the charge paid on an onward transfer (“the earlier onward transfer”) in respect of which the conditions in subsection (4) are met and the amount paid is not repayable, or
   (c) the original transfer was made before 9 March 2017, or
   (d) the original transfer was made on or after 9 March 2017 in execution of a request made before 9 March 2017.

(3) An onward transfer is excluded from the overseas transfer charge so far as the transfer is made otherwise than out of the member’s ring-fenced transfer funds under the scheme from which the onward transfer is made.

(4) The conditions mentioned in subsection (2)(b) are—
   (a) that the earlier onward transfer was made before the current onward transfer,
   (b) that the earlier onward transfer was made after the original transfer, and
   (c) that all the sums and assets transferred by the current onward transfer directly or indirectly derive from those transferred by the earlier onward transfer.
244H Power to provide for further exclusions

The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for a recognised transfer to a QROPS, or an onward transfer, to be excluded from the overseas transfer charge if the transfer is of a description specified in the regulations.

244I Circumstances in which exclusions do not apply

(1) Subsection (2) applies if a recognised transfer to a QROPS, or an onward transfer, would (but for this section) be excluded from the overseas transfer charge by any of sections 244B to 244F.

(2) The transfer is not excluded from the charge if the member has, in connection with the transfer, failed to comply with the relevant information regulation.

(3) In subsection (2) “the relevant information regulation” means whichever of the following is applicable—

(a) regulation 11BA of the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567), or any regulation having effect in place of any of that regulation, as (in either case) from time to time amended, and

(b) regulation 3AE of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 (S.I. 2006/208), or any regulation having effect in place of any of that regulation, as (in either case) from time to time amended.

244J Persons liable to charge

(1) In the case of a recognised transfer to a QROPS, the persons liable to the overseas transfer charge are—

(a) the scheme administrator of the registered pension scheme from which the transfer is made, and

(b) the member

and their liability is joint and several.

(2) In the case of an onward transfer, the persons liable to the overseas transfer charge are—

(a) the scheme manager of the QROPS, or former QROPS, from which the transfer is made, and

(b) the member

and their liability is joint and several.

(3) Subsections (1) and (2) are subject to subsection (4), and subsections (2) and (4) are subject to subsection (5).

(4) If a transfer is one required by section 244B or 244C to be initially assumed to be excluded by that section but an event occurring before the end of the relevant period means that the transfer is not so excluded, the persons liable to the overseas transfer charge in the case of the transfer are—

(a) the scheme manager of any QROPS, or former QROPS, under which the member has, at the time of the event, ring-fenced transfer funds in which any of the sums and assets referred to in section 244K(6) in the case of the transfer are represented, and

(b) the member,

and their liability is joint and several.

(5) The scheme manager of a former QROPS is liable to the overseas transfer charge in the case of a transfer (“the transfer concerned”) only if the former QROPS—

(a) was a QROPS when a relevant inward transfer was made, and

(b) where a relevant inward transfer was made before 9 March 2017, was a QROPS at the start of 9 March 2017;

and here “relevant inward transfer” means a recognised or onwards transfer to the former QROPS (at a time when it was a QROPS) of sums and assets which, to any extent, are represented by sums or assets transferred by the transfer concerned.

(6) A person is liable to the overseas transfer charge whether or not—

(a) that person, and

(b) any other person who is liable to the charge, are resident or domiciled in the United Kingdom.

244K Amount of charge

(1) Where the overseas transfer charge arises in the case of a transfer, the charge is 25% of the transferred value.

(2) If the transfer is from a registered pension scheme established in the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred, and

(b) the value of any assets transferred,

but this is subject to subsections (5) to (9).

(3) If the transfer is from a registered pension scheme established in a country or territory outside the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred that are attributable to UK-relieved funds of the scheme, and

(b) the value of any assets transferred that are attributable to UK-relieved funds of the scheme.

(b) any other person who is liable to the charge.

244L Power to provide for further exclusions

The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision for a recognised transfer to a QROPS, or an onward transfer, to be excluded from the overseas transfer charge if the transfer is of a description specified in the regulations.

244M Amount of charge

(1) Where the overseas transfer charge arises in the case of a transfer, the charge is 25% of the transferred value.

(2) If the transfer is from a registered pension scheme established in the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred, and

(b) the value of any assets transferred,

but this is subject to subsections (5) to (9).

(3) If the transfer is from a registered pension scheme established in a country or territory outside the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred that are attributable to the member’s ring-fenced transfer funds under the scheme, and

(b) the value of any assets transferred that are attributable to the member’s ring-fenced transfer funds under the scheme.

(b) any other person who is liable to the charge.

244N Power to provide for further exclusions

The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision for a recognised transfer to a QROPS, or an onward transfer, to be excluded from the overseas transfer charge if the transfer is of a description specified in the regulations.

244O Amount of charge

(1) Where the overseas transfer charge arises in the case of a transfer, the charge is 25% of the transferred value.

(2) If the transfer is from a registered pension scheme established in the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred, and

(b) the value of any assets transferred,

but this is subject to subsections (5) to (9).

(3) If the transfer is from a registered pension scheme established in a country or territory outside the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred that are attributable to the member’s ring-fenced transfer funds under the scheme, and

(b) the value of any assets transferred that are attributable to the member’s ring-fenced transfer funds under the scheme.

(b) any other person who is liable to the charge.
244L Accounting for overseas transfer charge by scheme managers
(1) In this section “charge” means overseas transfer charge for which the scheme manager of a QROPS or former QROPS is liable.
(2) The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision for or in connection with—
(a) the payment of charge, including due dates for payment,
(b) the charging of interest on charge not paid on or before its due date,
(c) notification by the scheme manager of errors in information provided by the scheme manager to the Commissioners in connection with charge or the scheme manager’s liability for overseas transfer charge,
(d) repayments to scheme managers under section 244M of amounts paid by way of charge, and
(e) the making of assessments, repayments or adjustments in cases where the correct amount of charge has not been paid by the due date for payment of the charge.
(3) The regulations may, in particular—
(a) modify the operation of any provision of the Tax Acts, or
(b) provide for the application of any provision of the Tax Acts (with or without modification).
244M Repayments of charge on subsequent excluding events
(1) This section applies if—
(a) overseas transfer charge arose on a transfer at the time the transfer was made, and
(b) at a time during the relevant period for the transfer, circumstances arise such that, had those circumstances existed at the time the transfer was made, the transfer would at the time it was made have been excluded from the charge by sections 244B to 244F or under section 244H.
(2) Any amount paid in respect of charge on the transfer is to be repaid by the Commissioners for Her Majesty’s Revenue and Customs so far as not already repaid.
(3) Subsection (2) does not give rise to entitlement to repayment of, or cancellation of liabilities to, interest or penalties in respect of late payment of charge on the transfer.
(4) Repayment under this section to the scheme administrator of a registered pension scheme, or the scheme manager of a QROPS or former QROPS, is conditional on prior compliance with any requirements to give information to the Commissioners, about the circumstances in which the right to the repayment arises, that are imposed on the prospective recipient under section 169 or 251 (but repayment is not conditional on compliance with any time limits so imposed for compliance with any such requirements).
(5) Repayment under this section is not a relievable pension contribution.
(6) Where—
(a) an amount is repaid under this section to the scheme administrator of a registered pension scheme, and
(b) there is a recognised transfer from that scheme to a QROPS of some or all of that amount,
that transfer is not benefit crystallisation event 8 in relation to the member (but this does not affect the amount crystallised by the benefit crystallisation event consisting of the making of the transfer mentioned in subsection (1)).
(7) Repayment under this section to the member is conditional on making a claim, and such a claim must be made no later than one year after the end of the relevant period for the transfer concerned.
(8) The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision for or in connection with claims or repayments under this section, including provision—
(a) requiring claims,
(b) about who may claim,
(c) imposing conditions for making claims, including conditions about time limits,
(d) as to additional circumstances in which repayments may be made,
(e) modifying the operation of any provision of the Tax Acts, or
(f) applying any provision of the Tax Acts (with or without modifications).
244N Discharge of liability of scheme administrator or manager
(1) In this section “operator” means—
(a) the scheme administrator of a registered pension scheme, or
(b) the scheme manager of a QROPS or former QROPS.
(2) If an operator is liable under section 244L, the operator may apply to an officer of Revenue and Customs for the discharge of the operator’s liability on the following ground.
(3) The ground is that—
(a) the operator reasonably believed that there was no liability to the offshore transfer charge on the transfer concerned, and
(b) in all the circumstances of the case, it would not be just and reasonable for the operator to the charge on the transfer.
(4) On receiving an application under subsection (2), an officer of Revenue and Customs must decide whether to discharge the operator’s liability.
(5) An officer of Revenue and Customs must notify the operator of the decision on the application.
(6) The discharge of the operator’s liability does not affect the liability of any other person to overseas transfer charge on the transfer concerned.
(7) The Commissioners for Her Majesty’s Revenue and Customs may by regulations make provision supplementing this section, including provision for time limits for making an application under this section.”
(30) Part 4 of the Finance Act 2004 is further amended as follows.
(31) Section 169 (recognised transfers, and definition and obligations of a QROPS) is amended as follows.
(32) In subsection (2) (what makes a recognised overseas pension scheme a QROPS), after paragraph (b) insert—
“(ba) the scheme manager has confirmed to an officer of Revenue and Customs that the scheme manager understands the scheme manager’s potential liability to overseas transfer charge and has undertaken to such an officer to operate the charge, including by meeting the scheme manager’s liabilities to the charge.”
(33) After subsection (2) insert—
“(2A) Regulations may make provision as to—
(a) information that is to be included in, or is to accompany, a notification under subsection (2)(a);
(b) the way and form in which such a notification, or any required information or evidence, is to be given or provided.”
(34) After subsection (4) insert—
“(4ZA) Regulations may require a member, or former member, of a QROPS or former QROPS to give information of a prescribed description to the scheme manager of a QROPS or former QROPS.”
(35) In subsection (4A) (inclusion of supplementary provision in regulations under subsection (4)), after “(4)” insert “or (4ZA)”.
(36) After subsection (4B) insert—
“(4C) Provision under subsection (2A)(b) or (4A)(a) may, in particular, provide for use of a way or form specified by the Commissioners.”
(37) After subsection (7) insert—
“(7A) Regulations may, in a case where—
(a) any of the sums and assets transferred by a relevant overseas transfer represent rights in respect of a pension to which a person has become entitled under the transferring scheme (“the original pension”), and

(b) those sums and assets are, after the transfer, applied towards the provision of a pension under the other scheme (“the new pension”),

provide that the new pension is to be treated, to such extent as is prescribed and for such of the purposes of this Part as are prescribed, as if it were the original pension.

(7B) For the purposes of subsection (7A), a “relevant overseas transfer” is a transfer of sums or assets held for the purposes of, or representing accrued rights under, a relevant overseas scheme (“the transferring scheme”) so as to become held for the purposes of, or to represent rights under—

(a) another relevant overseas scheme, or

(b) a registered pension scheme, in connection with a member of that pension scheme.

(7C) In subsection (7B) “relevant overseas scheme” means—

(a) a QROPS, or

(b) a relevant non-UK scheme (see paragraph 1(5) of Schedule 34).

(7D) Regulations under subsection (7A) may—

(a) apply generally or only in specified cases, and

(b) make different provision for different cases.”

(38) In subsection (8) (interpretation)—

(e) in the opening words, after “subsections (4) to (6)” insert “, (7A) to (7D)”, and

(f) in the definition of “relevant requirement”, at the end insert “, or

c) a requirement to pay overseas transfer charge, or interest on overseas transfer charge, imposed by regulations under section 244L(2) or by an assessment under such regulations.”

(39) After Chapter 5 insert—

“CHAPTER 5A

REGISTERED PENSION SCHEMES ESTABLISHED OUTSIDE THE UNITED KINGDOM

242A Meaning of “non-UK registered scheme”

In this Chapter “non-UK registered scheme” means a registered pension scheme established in a country or territory outside the United Kingdom.

242B Meaning of “UK-relieved funds”

(1) For the purposes of this Chapter, the “UK-relieved funds” of a non-UK registered scheme are sums or assets held for the purposes of, or representing accrued rights under, the scheme—

(a) that (directly or indirectly) represent sums or assets that at any time were held for the purposes of, or represented accrued rights under, a registered pension scheme established in the United Kingdom,

(b) that (directly or indirectly) represent sums or assets that at any time formed the UK tax-relieved fund under a relevant non-UK scheme of a relieved member of that scheme, or

c) that—

(i) are held for the purposes of, or represent accrued rights under, an arrangement under the scheme relating to a member of the scheme who on any day has been an accruing member of the scheme, and

(ii) in accordance with regulations made by the Commissioners for Her Majesty’s Revenue and Customs, are to be taken to have benefited from relief from tax.

(2) In section 242B “relevant contribution” has the meaning given by regulation 14ZB(8) of the Information Regulations.

(3) Paragraphs (7) and (8) of regulation 14ZB of the Information Regulations (meaning of “accruing member”) apply for the purposes of this section as for those of that regulation.


(40) In section 254(6) (regulations about accounting for tax by scheme administrators), after paragraph (b) insert—

“(ba) repayments under section 244M to scheme administrators,”.

(41) In section 255(1) (power to make provision for assessments), after paragraph (d) insert—

“(da) liability of the scheme administrator of a registered pension scheme, or the scheme manager of a qualifying recognised overseas pension scheme or of a former such scheme, to the overseas transfer charge.”

(42) In section 269(1)(a) (appeal against decision on discharge of liability), before “section 267(2)” insert “section 244N (discharge of liability to overseas transfer charge),”.

(43) In section 9(1A) of the Taxes Management Act 1970 (tax not within the scope of self-assessment), after paragraph (a) insert—

“(aa) is chargeable, on the scheme manager of a qualifying recognised overseas pension scheme or a former such scheme, under Part 4 of the Finance Act 2004,”.

(44) In Schedule 56 to the Finance Act 2009 (penalty for failure to make payments on time), in the Table in paragraph 1, after the entry for item 3 insert—

| 3A Income tax | Amount payable under regulations under section 244L(2)(a) of FA 2004 | The date falling 30 days after the due date determined by or under the regulations |

(45) In regulation 3(1) of the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (S.I. 2005/3454), in Table 1, at the end insert—

| Charge under section 244A (overseas transfer charge). | 1. The name, date of birth and national insurance number of each individual in whose case a transfer results in the scheme administrator becoming liable to the overseas transfer charge. | 2. The date, and transferred value, of each transfer. |

(46) The amendment made by paragraph (45) of this Resolution is to be treated as having been made by the Commissioners for Her Majesty’s Revenue and Customs under the applicable powers to make regulations conferred by section 254 of the Finance Act 2004.

(47) The Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 (S.I. 2006/208) are amended as follows.

(48) In regulation 1(2) (interpretation), after the definition of “HMRC” insert—

“onward transfer” has the meaning given by section 244A.”.

(49) In regulation 3(2) (duty to provide information to HMRC)—

(a) in sub-paragraph (c), after “no relevant transfer fund remains” insert “and no ring-fenced transfer funds remain”, and

(b) after sub-paragraph (d) insert—
“(da) if the payment is made to a QROPS—
   (i) whether the overseas transfer charge arises on the payment,
   (ii) if the charge does arise, the transferred value and the
        amount of charge the scheme manager deducted from the
        payment before making it,
   (iii) if the charge does not arise, why it does not, and
   (iv) the total amount or value of the member’s relevant transfer
        fund, and ring-fenced transfer funds, remaining immediately
        after the payment;”,

(50) In regulation 3, after paragraph (2) insert—

“(2A) Paragraphs (2B) and (2C) apply where—
   (a) a recognised transfer is made to a QROPS, or
   (b) an onward transfer is made by a QROPS or former
       QROPS.

“(2B) Where an event occurring before the end of the relevant
period for the transfer (see section 244A(4)) means that the
transfer no longer counts as excluded from the overseas transfer
charge or that entitlement to repayment under section 244M
arises, the scheme manager of the QROPS or former QROPS
must, within 90 days after the date the scheme manager is
notified of the event, provide to HMRC notification of—
   (a) the occurrence, nature and date of the event,
   (b) the transferred value of the transfer,
   (c) the amount of overseas transfer charge on the transfer,
   (d) whether, and to what extent, the scheme manager has
       accounted, or intends to account, for the charge, and
   (e) the total amount or value of the member’s relevant transfer
       fund, and ring-fenced transfer funds, remaining immediately
       after the event.

This paragraph is subject to the qualification in paragraph (3A).

(2C) Where the scheme manager of the QROPS or former
QROPS becomes aware that the member has at any time in the
relevant period for the transfer acquired a new residential
address that is neither—
   (a) in the country or territory in which the QROPS or former
       QROPS is established, nor
   (b) in an EEA state,

   the scheme manager is to notify that address to HMRC within
3 months after the date on which the scheme manager becomes
aware of it.”

(51) In regulation 3, after paragraph (3) insert—

“(3A) No obligation arises under paragraph (2B) in relation to
a transfer if the following conditions are met—
   (a) at the date of the transfer more than 10 years has elapsed
since the key date for the ring-fenced transfer fund arising from
the transfer (see paragraph 1 of Schedule 34); and
   (b) the relevant member to whom the transfer is made is a
person to whom the member payment provisions do not apply.”

(52) In regulation 3(6), in the definition of “relevant member”,
after “relevant transfer fund” insert “or any ring-fenced transfer
fund”.

(53) In regulation 3AB(4), for the words from “as a result” to the
end substitute “as a result of—
   (a) a transfer of the member’s relevant transfer fund,
   (b) a transfer of any of the member’s ring-fenced transfer
       funds, or
   (c) a recognised transfer,
       after the date of the relevant event concerned.”

(54) In regulation 3AC—
   (a) in paragraph (1)(a), before the “or” at the end of paragraph
       (i) insert—
           “(ia) any of the member’s ring-fenced transfer funds;”, and
       (b) in the title omit “relevant”.

(55) In regulation 3AD—
   (a) in paragraph (1)(a), before the “or” at the end of paragraph (i)
       insert—
       “(ia) any of the member’s ring-fenced transfer funds;”,
   (b) in paragraph (2), after sub-paragraph (a) insert—
       “(aa) where any of the transferred sums or assets are referable
to the member’s UK-tax relieved fund, the value of so many of
them as are referable to tax-relieved contributions, or tax-exempt
provision, made under the scheme before 9 March 2017;
   (ab) the value of so many of the transferred sums or assets as are
referable to any of the member’s ring-fenced transfer funds (if
any);”,
   (c) in paragraph (2)(b) omit the “and” at the end,
   (d) in paragraph (2)(c)(i), after “fund” insert “or any of the
member’s ring-fenced transfer funds”,
   (e) in paragraph (2)(c), in the words after paragraph (ii)—
       (i) omit “it is”, and
       (ii) after “the date of that transfer” insert “and the date it was
requested”,
   (f) in paragraph (2), after sub-paragraph (c) insert—
       “(d) whether the overseas transfer charge arises on the
transfer;
   (e) if the charge does arise on the transfer—
       (i) the transferred value of the transfer, and
       (ii) the amount in respect of the charge deducted
           by the scheme manager from the transfer;
   (f) if the transfer is excluded from the charge—
       (i) the reason for its exclusion, and
       (ii) where section 244G(2)(a) or (b) (charge paid on
earlier transfer) is the reason for its exclusion, the
date of the earlier transfer on which the
charge was paid and the amount of charge
paid on that earlier transfer; and;”, and
   (g) in the title omit “relevant”.

(56) After regulation 3AD insert—

“3AE Information provided by member to QROPS: onward transfers

(1) Paragraph (4) applies where a member of a QROPS or former QROPS makes a request to the scheme manager to make an
onward transfer to a QROPS.

(2) But paragraph (4) does not apply if—
   (a) the transfer will be excluded from the overseas transfer
charge by section 244G, or
   (b) the transfer will take after the end of the relevant period
(see section 244A(4)) for what would be the original transfer in
relation to the requested onward transfer.

(3) In this regulation “original transfer”, in relation to an
onward transfer, has the meaning given by section 244A(5).

(4) The member must provide to the scheme manager—
   (a) the member’s name, date of birth and principal residential
       address,
   (b) if the member is not UK resident for income tax purposes,
       the date when the member last ceased to be UK resident for
       those purposes,
   (c) the member’s national insurance number or, where
       applicable, confirmation that the member does not qualify for
       a national insurance number,
   (d) the name and address of the QROPS to which the transfer
       is to be made,
   (e) the country or territory under the law of which that
       QROPS is established and regulated,
   (f) the reference number, if any, given by the Commissioners
       for that QROPS,
   (g) in the title omit “relevant”.}
(g) whether the member knows for certain that the transfer would be excluded from the overseas transfer charge by one of sections 244D, 244E and 244F, and if the member does know that for certain—

(i) the section concerned (if known),

(ii) the name and address of the member’s employer whose connection with the QROPS gives rise to exclusion of the transfer from the charge,

(iii) the member’s job title as an employee of that employer,

(iv) the date the member’s employment with that employer began, and

(v) if known, that employer’s tax reference for that employment, and

(h) the member’s acknowledgement in writing that the member—

(i) is aware that an onward transfer to a qualifying recognised overseas pension scheme may give rise to a liability to overseas transfer charge, and

(ii) is aware of the circumstances in which liability arises, in which liability is excluded from the outset and in which liability is excluded only if conditions continue to be met over a period of time.

(5) The information specified in paragraph (4) must be provided within 60 days beginning with the day the transfer request is made.

(6) The scheme manager must send the member notification of the requirements specified in this regulation within 30 days beginning with that day.

3AF Provision of information about liability for overseas transfer charge

(1) If an onward transfer is made from a QROPS or former QROPS and the overseas transfer charge arises on the transfer, the scheme manager of the QROPS or former QROPS must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that overseas transfer charge arises on the transfer,

(c) the transferred value of the transfer,

(d) amount of the charge on the transfer,

(e) whether, and to what extent, the scheme manager has accounted, or intends to account, for the charge, and

(f) where the scheme manager has accounted for the charge, the date the scheme manager did so.

(2) If an onward transfer is made from a QROPS or former QROPS and the transfer is excluded from the overseas transfer charge by or under sections 244B to 244H, the scheme manager of the QROPS or former QROPS must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that the transfer is excluded from the overseas transfer charge,

(c) the provision by reason of which the transfer is excluded, and

(d) where that provision is section 244B or 244C—

(i) when the relevant period for the transfer ends, and

(ii) how the transfer may turn out not to be excluded as a result of the member changing country or territory of residence within the relevant period for the transfer.

(3) Paragraph (4) applies if—

(a) a recognised transfer is made to a QROPS, or

(b) an onward transfer is made by a QROPS or former QROPS.

(4) Where an event occurring before the end of the relevant period for the transfer (see section 244A(4)) means that the transfer no longer counts as excluded from the overseas transfer charge or that entitlement to repayment under section 244M arises, the scheme manager of the QROPS or former QROPS must, within 90 days after the date the scheme manager is notified of the event, provide the member with a notice stating—

(a) the amount of overseas transfer charge on the transfer,

(b) whether, and to what extent, the scheme manager has accounted, or intends to account, for the charge, and

(c) where the scheme manager has accounted for the charge, the date the scheme manager did so.

3AG Accounting for overseas transfer charge on onward transfers

(1) Paragraph (2) applies where—

(a) overseas transfer charge arises on an onward transfer from a QROPS or former QROPS,

(b) the scheme manager has notified HMRC of the transfer or, where applicable, of the event triggering payability of the charge on the transfer, and

(c) HMRC have provided the scheme manager with an accounting reference for paying the charge on the transfer:

(2) The scheme manager must pay the charge to HMRC using the accounting reference.

(3) Payment of the charge is due at the end of the 91 days beginning with the date of issue of the accounting reference.

3AH Assessments of unpaid overseas transfer charge on onward transfers

(1) Where the correct amount of overseas transfer charge due from a scheme manager under regulation 3AG on an onward transfer has not been paid by the time it is due, an officer of Revenue and Customs must issue an assessment to tax on the scheme manager.

(2) Tax assessed under this regulation is payable within 30 days after the issue of the notice of assessment.

3AI Interest on overdue overseas transfer charge

(1) Tax which—

(a) becomes due and payable in accordance with regulation 3AG, or

(b) is assessed under regulation 3AH, carries interest at the prescribed rate from the due date under regulation 3AG until payment (“the interest period”).

(2) Paragraph (1) applies even if the due date is a non-business day as defined by section 92 of the Bills of Exchange Act 1882.

(3) The “prescribed rate” means the rate applicable under section 178 of the Finance Act 1989 for the purposes of section 86 of TMA.

(4) Any change made to the prescribed rate during the interest period applies to the unpaid amount from the date of the change.

3AJ Adjustments, repayments and interest on overpaid charge

(1) If the correct tax due under regulation 3AG has not been paid on or before the due date, an officer of Revenue and Customs may make such adjustments or repayments as may be required for securing that the resulting liabilities to tax (including interest on unpaid or overpaid tax) whether of the scheme manager or of any other person are the same as they would have been if the correct tax had been paid.

(2) Tax overpaid which is repaid to the scheme manager or any other person carries interest at the prescribed rate from the later of the due date and the date on which the tax was paid until the date of repayment (“the interest period”).


(4) Any change to the prescribed rate during the interest period applies to the overpaid amount from the date of the change.

(5) In regulation 3B (information on cessation of a QROPS), after “relevant transfer fund”, in both places, insert “, or ring-fenced transfer fund.”.

(6) In regulation 3C (correction of information)—

(a) in paragraph (3)(a), after “existence” insert “or, where the information relates to a ring-fenced transfer fund in respect of the relevant member, more than 10 years has elapsed.”
beginning with the date on which that ring-fenced transfer fund came into existence”, and
(b) in paragraph (3)(b), at the end insert “and there are no ring-fenced transfer funds”.
(59) In regulation 5(1) (application of provisions providing for penalties)—
(a) after “3(2),” insert “(2B) or (2C),”, and
(b) before “or 3C(1)” insert “, 3AE(6), 3AF”.
(60) The amendments made by paragraphs (47) to (59) of this Resolution—
(a) are, so far as they insert new regulation 3AE(1) to (5), to be treated as having been made by the Commissioners for Her Majesty’s Revenue and Customs under the powers to make regulations conferred by section 169(4ZA) of the Finance Act 2004,
(b) are, so far as they insert new regulations 3AE(6) and 3AF and amend regulations 3 to 3AD and 3B to 5, to be treated as having been made by the Commissioners under the powers to make regulations under section 169(4) of the Finance Act 2004 (see section 169(4), (4A), (4B) and (4C) of that Act), and
(c) are, so far as they insert new regulations 3AG to 3AI, to be treated as having been made by the Commissioners under the applicable powers to make regulations conferred by section 244L of the Finance Act 2004.
(61) The Registered Pension Schemes (Transfers of Sums and Assets) Regulations 2006 (S.I. 2006/499) are amended as follows.
(62) In regulation 5, the existing text becomes paragraph (1), and after that paragraph insert—
“(2) In paragraph (1)(a) “administration costs” includes, in particular, payments of overseas transfer charge.”
(63) The amendments made by paragraph (62) of this Resolution are to be treated as made by the Commissioners for Her Majesty’s Revenue and Customs under the powers to make regulations conferred by paragraph 2(4)(h) of Schedule 28 to the Finance Act 2004.
(64) The Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) are amended as follows.
(65) In regulation 3(1) (provision of information by scheme administrators to HMRC), in column 2 of the entry in the Table for reportable event 9—
(a) after paragraph (g) insert—
“(ga) whether or not overseas transfer charge arises on the transfer;
(gb) if the transfer is excluded from the charge, the reason why it is excluded;
(gc) if the charge arises on the transfer—
(i) the transferred value, and
(ii) the amount in respect of the charge deducted from the transfer;”, and
(b) after paragraph (h) insert—
“(ha) the reference number, if any, given by the Commissioners for the QROPS.”;
(66) In regulation 3(7) (deadline for event report for reportable event 9), at the end insert “but, if the scheme administrator applies before the end of those 60 days for a repayment of overseas transfer charge on the transfer, the report must be delivered before the administrator applies for the repayment.”
(67) In regulation 11BA(2) (information about transfer to be provided by member to scheme administrator)—
(a) in sub-paragraph (a), omit paragraphs (vi) and (vii), including the “and” at the end,
(b) after sub-paragraph (a) insert—
“(aa) the name and address of, and (if known) the reference number given by the Commissioners for the qualifying recognised overseas pension scheme (“the QROPS”);
(ab) the country or territory under the law of which the QROPS is established and regulated;
(ac) whether the member knows for certain that the transfer would be excluded from the overseas transfer charge by one of sections 244D, 244E and 244F, and if the member does know that for certain—
(i) the section concerned (if known),
(ii) the name and address of the member’s employer whose connection with the QROPS gives rise to exclusion of the transfer from the charge,
(iii) the member’s job title as an employee of that employer,
(iv) the date the member’s employment with that employer began, and
(v) if known, that employer’s tax reference for that employment;”, and
(c) after sub-paragraph (b) insert “; and
(c) the member’s acknowledgement in writing that the member—
(i) is aware that a recognised transfer to a qualifying recognised overseas pension scheme may give rise to a liability to overseas transfer charge, and
(ii) is aware of the circumstances in which liability arises, in which liability is excluded from the outset and in which liability is excluded only if conditions continue to be met over a period of time.”
(68) After regulation 11BA insert—
“11BB Information provided by members to scheme administrators: potentially excluded transfers
(1) Paragraph (2) applies where—
(a) a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme, and
(b) the transfer is required by section 244B or 244C to be initially assumed to be excluded from the overseas transfer charge by that section
(2) Each time during the relevant period for the transfer that the member—
(a) becomes resident in a country or territory, or
(b) ceases to be resident in a country or territory,
the member must, within 60 days after the date that happens, inform the scheme administrator of the registered pension scheme that it has happened.”
(69) After regulation 12 insert—
“12A Provision of information about liability for overseas transfer charge
(1) If a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme and the overseas transfer charge arises on the transfer, the scheme administrator of the registered pension scheme must within 90 days after the date of the transfer provide the member with a notice stating—
(a) the date of the transfer,
(b) that overseas transfer charge arises on the transfer,
(c) the transferred value of the transfer,
(d) the amount of the charge on the transfer,
(e) whether, and to what extent, the scheme administrator has accounted, or intends to account, for the charge, and
(f) where the scheme administrator has accounted for the charge, the date the scheme administrator did so.
(2) If a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme and the transfer is excluded from the overseas transfer charge by or under sections 244B to 244H, the scheme administrator of the registered pension scheme must within 90 days after the date of the transfer provide the member with a notice stating—
(a) the date of the transfer,
(b) that the transfer is excluded from the overseas transfer charge,
(c) the provision by reason of which the transfer is excluded, and

d) where that provision is section 244B or 244C, how the transfer may turn out not to be excluded as a result of the member changing country or territory of residence within the relevant period for the transfer.

(3) If overseas transfer charge on a transfer is repaid to the scheme administrator of a registered pension scheme, the scheme administrator must within 90 days after the date of the repayment provide the member with a notice stating—

(a) the date of the repayment,
(b) the amount of the repayment, and
(c) the reason for the repayment.”

(70) After regulation 14ZC insert—

“14ZCA Further information provided by scheme administrators on recognised transfers to overseas schemes

(1) This regulation applies if there is a recognised transfer from a registered pension scheme to a qualifying recognised overseas pensions scheme.

(2) The scheme administrator of the registered pension scheme must provide the scheme manager of the qualifying recognised overseas pension scheme with a statement—

(a) stating whether or not the overseas transfer charge arose on the transfer, and
(b) stating—

(i) if the charge arose, the amount of the charge, and
(ii) if the transfer is excluded from the charge, the reason why it is excluded.

(3) The requirement under paragraph (2) is to be complied with before the end of the 31 days beginning with the date of the transfer.

(4) Paragraph (5) applies if overseas transfer charge on the transfer is repaid to the scheme administrator of the registered pension scheme.

(5) The scheme administrator of the registered pension scheme must provide the scheme manager of the qualifying recognised overseas pension scheme with—

(a) a copy of the statement under paragraph (2),
(b) a statement that the original statement is inaccurate and that the overseas transfer charge on the transfer has been repaid to the scheme administrator, and
(c) the reason why the transfer is excluded from the charge.

(6) The requirement under paragraph (5) is to be complied with before the end of the 31 days beginning with the date of the repayment.”

(71) The amendments made by paragraphs (64) to (70) of this Resolution are to be treated as made by the Commissioners for Her Majesty’s Revenue and Customs under the applicable powers to make regulations conferred by section 251 of the Finance Act 2004.

(72) Subject to paragraphs (73) to (75) of this Resolution, the amendments made by paragraphs (29) to (70) of this Resolution have effect in relation to transfers made on or after 9 March 2017. The new section 169(2)(ba) of the Finance Act 2004—

(a) has effect on and after 9 March 2017 in the case of a recognised overseas pension scheme where—

(i) the notification mentioned in section 169(2)(a) of the Finance Act 2004 (notification that scheme is a recognised overseas pension scheme) is given on or after 9 March 2017, or
(ii) although that notification is given before 9 March 2017, the letter from the Commissioners for Her Majesty’s Revenue and Customs advising the scheme of the reference number allocated to the scheme is dated on or after 9 March 2017, and
(b) has effect on and after 14 April 2017 in the case of a recognised overseas pension scheme where that letter is dated before 9 March 2017.


(75) The amendments in regulation 3(2) of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 have effect in relation to payments made on or after 9 March 2017; and the new regulation 3AE inserted into those Regulations, and the reference to the new regulation 3AE(6) inserted into regulation 5(1) of those Regulations, have effect in relation to requests made on or after 9 March 2017.

(76) Overseas transfer charge on transfers made in the period beginning with 9 March 2017 and ending with 30 June 2017 is, for the purposes of section 254 of the Finance Act 2004, to be treated as charged in the 3 months ending with 30 September 2017.

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

13. TRADE AND PROPERTY BUSINESS

PROFITS

Resolved,

That provision may be made about the calculation of profits of trades, professions, vocations and property businesses for the purposes of income tax.

14. DEDUCTION OF INCOME TAX AT SOURCE

Resolved,

That—

(1) In Chapter 3 of Part 15 of the Income Tax Act 2007 (deduction of tax from certain payments of yearly interest), after section 885A insert—

“885B Designated dividends of investment trusts

The duty to deduct a sum representing income tax under section 874 does not apply to a dividend so far as it is treated as a payment of yearly interest by regulations under section 45 of FA 2009 (dividends designated by investment trust or prospective investment trust).

885C Interest distributions of certain open-ended investment companies

The duty to deduct a sum representing income tax under section 874 does not apply to a payment of yearly interest under section 373 of ITTOIA 2005 (in the case of certain open-ended investment companies, payments of yearly interest treated as made where distributable amount shown in accounts as yearly interest).

885D Interest distribution of certain authorised unit trusts

The duty to deduct a sum representing income tax under section 874 does not apply to a payment of yearly interest under section 376 of ITTOIA 2005 (in the case of certain authorised unit trusts, payments of yearly interest treated as made where distributable amount shown in accounts as yearly interest).

(2) In section 45(2) of the Finance Act 2009 (provision that regulations may make about dividends of investment trusts) omit paragraph (c) (power to disapply duty to deduct tax under section 874 of the Income Tax Act 2007).

(3) In Chapter 3 of Part 15 of the Income Tax Act 2007 (deduction of tax from certain payments of yearly interest), after section 885D (inserted by this Resolution) insert—

“885E Interest on certain peer-to-peer lending

(1) The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest on an amount of peer-to-peer lending.

(2) In subsection (1) “peer-to-peer lending” means credit in relation to which the condition in subsection (4) is met.
(3) In this section—
“original borrower”, in relation to any credit, means the person to whom the credit is originally provided,
“credit” includes a cash loan and any other form of financial accommodation, and
“original lender”, in relation to any credit, means the person who originally provides the credit.

(4) The condition is that—
(a) the original borrower and the original lender enter the agreement under which the credit is provided at the invitation of a person (“the operator”),
(b) the operator makes the invitation in the course of, or in connection with, operating an electronic system,
(c) the operator’s operation of the electronic system is an activity specified in article 36H(1) or (2D) of the Order (operating an electronic system in relation to lending), and
(d) the operator has permission under Part 4A of FISMA 2000 to carry on that activity.

(5) For the purposes of subsection (4), it does not matter if the agreement mentioned in subsection (4)(a) is not an article 36H agreement (as defined in article 36H of the Order).

(6) The Commissioners for Her Majesty’s Revenue and Customs may by regulations make such amendments of the agreement (as defined in article 36H of the Order).

(7) In this section “the Order” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)


And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions in relation to payments of interest made on or after 6 April 2017.

15. GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC

Resolved,
That provision may be made amending Chapter 9 of Part 4 of the Income Tax (Trading and Other Income) Act 2005.

16. VENTURE CAPITAL TRUSTS (EXCHANGE OF NON-QUALIFYING SHARES AND SECURITIES)

Resolved,

17. SOCIAL INVESTMENT TAX RELIEF

Resolved,
That provision may be made about social investment tax relief.

18. THE “NO DISQUALIFYING ARRANGEMENTS REQUIREMENT”

Resolved,
That provision may be made about the “no disqualifying arrangements requirement” for the purposes of the enterprise investment scheme, the seed enterprise investment scheme and venture capital trusts.

19. BUSINESS INVESTMENT RELIEF

Question put.

The House divided: Ayes 319, Noes 275.

Division No. 180] [6.59 pm

AYES

Afridi, Adam
Davies, Byron
Aldous, Peter
Davies, Chris
Allan, Lucy
Davies, David T. C.
Allen, Heidi
Davies, Glyn
Amer, Sir David
Davies, Dr James
Andrew, Stuart
Davies, Mims
Ansell, Caroline
Davis, Mr David
Argar, Edward
Dinenage, Caroline
Atkins, Victoria
Djanogly, Mr Jonathan
Bacon, Mr Richard
Dods, rh Mr Nigel
Baker, Mr Steve
Donaldson, rh Sir Jeffrey M.
Baldwin, Harriett
Donelan, Michelle
Barclay, Stephen
Double, Steve
Baron, Mr John
Dowden, Oliver
Barwell, Gavin
Doyle-Price, Jackie
Bebb, Guto
Drax, Richard
Bellingham, Sir Henry
Drummond, Mrs Flick
Benyon, rh Richard
Duddridge, James
Beresford, Sir Paul
Duncan, rh Sir Alan
Berry, Jake
Duncan Smith, rh Mr Iain
Berry, James
Dunne, Mr Philip
Bingham, Andrew
Elliott, Tom
Blackman, Bob
Ellis, Michael
Blackwood, Nicola
Ellison, Jane
Blunt, Crispin
Ellwood, Mr Tobias
Bone, Mr Peter
Elphicke, Charlie
Borwick, Victoria
Eustice, George
Bottomley, Sir Peter
Evans, Graham
Bradley, rh Karen
Evans, Mr Nigel
Brady, Mr Graham
Evennett, rh David
Brazier, Sir Julian
Fabricant, Michael
Bridge, Andrew
Fallon, rh Sir Michael
Buckland, Robert
Fernandes, Suella
Burns, Conor
Field, rh Mark
Burns, rh Sir Simon
Foster, Kevin
Burrowes, Mr David
Fox, rh Dr Liam
Burt, rh Alistair
Frazer, Lucy
Cairns, rh Alun
Freeman, George
Campbell, Mr Gregory
Freedman, Michael
Carmichael, Neil
Freer, Mike
Cartidge, James
Fuller, Richard
Cash, Sir William
Fysh, Marcus
Caulfield, Maria
Gale, Sir Roger
Chalk, Alex
Garner, rh Sir Edward
Chishti, Rehman
Garnier, Mark
Chope, Mr Christopher
Gauke, rh Mr David
Churchill, Jo
Ghani, Nusrat
Clark, rh Greg
Gibb, rh Mr Nick
Clifton-Brown, Geoffrey
Gillan, rh Mrs Cheryl
Coffey, Dr Thérèse
Glen, John
Collins, Damian
Goodwill, Mr Robert
Collins, Sir Alun
Gove, rh Michael
Colville, Oliver
Graham, Richard
Costa, Alberto
Grant, Mrs Helen
Court, Sir Robert
Gray, James
Cox, Mr Geoffrey
Grayling, rh Chris
Crabb, rh Stephen
Green, Chris
Crouch, Tracey

Noes

Ayes 319, Noes 275.
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, Sir Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriam, Huw
Metcalfe, Stephen
Miller, Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, Mr Anne
Mitchell, Mr Andrew
Mordaunt, Penny
Morgan, Mr Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morris-Wemyss
Mowat, David
Mundell, Mr David
Murray, Mrs Sherryl
Murison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Orrford, Dr Matthew
Opperman, Guy
Osborne, Mr George
Parish, Neil
Patel, Mr Priti
Paterson, Mr Owen
Pawsey, Mark
Penning, Mr Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pickles, Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, Mr John
Rees-Mogg, Mr Jacob
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, Mr Amber
Rutley, David
Sandbach, Antoinette
McCann
Scully, Paul
Selous, Andrew
Shannon, Jim
Shapps, Grant
Shanahan, Mark
Shelbrooke, Alec
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Royston
Soames, Sir Nicholas
Solloway, Amanda
Soubry, Mr Anna
Spelman, Mr Dave Caroline
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Stevenson, John
Stewart, Bob
Stewart, Ian
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Streeter, Mr Gary
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Sturdy, Julian
Sunak, Rishi
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Swire, Mr Sir Hugo
Syms, Mr Robert
Thomas, Derek
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Tredinnick, David
Trevelyan, Mrs Anne-Marie
20. CORPORATION TAX RELIEF FOR LOSSES ETC

Resolved,

That provision may be made about corporation tax relief for losses, deficits, expenses and other amounts.

21. CORPORATE INTEREST RESTRICTION

Resolved,

That provision may be made about the amounts that may be brought into account for the purposes of corporation tax in respect of interest and other financing costs.

22. PROFITS ARISING FROM THE EXPLOITATION OF PATENTS

Resolved,

That provision may be made amending Part 8A of the Corporation Tax Act 2010.

23. TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

Resolved,

That provision may be made about the charge to corporation tax at the Northern Ireland rate on trading profits.

24. CHARGEABLE GAINS

Resolved,

That provision may be made amending the Taxation of Chargeable Gains Act 1992.
25. DOMICILE

Resolved.
That provision may be made for tax purposes—
(a) deeming individuals to be domiciled in the United Kingdom, and
(b) in relation to settlements with a settlor domiciled outside the United Kingdom at any time.

26. VALUE OF CERTAIN BENEFITS

Resolved.

27. INHERITANCE TAX (OVERSEAS PROPERTY)

Resolved.
That provision may be made for inheritance tax purposes about overseas assets with value attributable to residential property in the United Kingdom.

28. EMPLOYEE SHAREHOLDER SHARES

Resolved.
That provision (including provision having retrospective effect) may be made about the treatment for tax purposes of employee shareholder shares.

29. EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES

Resolved.
That—
(2) In section 554A(2) (meaning of “relevant step”), at the end insert “(including such a step where the taking of the step, or some aspect of the taking of the step, constitutes a breach of trust or is a constituent part of a breach of trust, and even if the step or aspect is void as a result of breach of trust).”
(3) Section 554C (relevant steps: payment of sum, transfer of asset etc.) is amended as follows.
(4) In subsection (1), after paragraph (a) insert—
“(aa) acquires a right to a payment of a sum of money, or to a transfer of assets, where there is a connection (direct or indirect) between the acquisition of the right and—
(i) a payment made, by way of a loan or otherwise, to a relevant person, or
(ii) a transfer of assets to a relevant person,
(ab) releases or writes off the whole or a part of—
(i) a loan made to a relevant person, or
(ii) an acquired right of the kind mentioned in paragraph (aa),”.
(5) After subsection (3) insert—
“(3A) For the purposes of subsection (1) “loan” includes—
(a) any form of credit, and
(b) a payment that is purported to be made by way of a loan.
(3b) Subsection (3C) applies where a person (“T”) acquires from another person (“L”) (whether or not for consideration)—
(a) a right to payment of the whole or part of a loan where T is the person liable (at the time of the acquisition of the right) to repay the loan, or
(b) a right to payment of a sum of money, or to a transfer of assets, where T is the person liable (at the time of the acquisition of the right) to pay the sum, or transfer the assets.
(3c) L is to be treated for the purposes of subsection (1)(ab) as releasing—
(a) in a case within subsection (3B)(a), the loan or the relevant part of it;
(b) a case within subsection (3B)(b), the right or the relevant part of it.”
(6) In section 554A(4) (non-application of Chapter 2 where relevant step taken on or after A’s death)—
(g) omit “within section 554B”, and
(b) at the end insert “if—
(a) the relevant step is within section 554B, or
(b) the relevant step is within section 554C by virtue of subsection (1)(ab) of that section.”
(7) After section 554O insert—
“554OA Exclusions: transfer of employment-related loans
(1) Chapter 2 does not apply by reason of a relevant step taken by a person (“P”) if—
(a) the step is acquiring a right to payment of an amount equal to the whole or part of a payment made by way of a loan to a relevant person (the “borrower”),
(b) the loan, at the time it was made, was an employment-related loan,
(c) at the time the relevant step is taken, the section 180 threshold is not exceeded in relation to the loan,
(d) at the time the relevant step is taken, the borrower is an employee, or a prospective employee, of P, and
(e) there is no connection (direct or indirect) between the relevant step and a tax avoidance arrangement.
(2) For the purposes of this section, the section 180 threshold is not exceeded in relation to a loan if, at all times in the relevant tax year—
(a) the amount outstanding on the loan, or
(b) if two or more employment-related loans are made by the same employer, the aggregate of the amount outstanding on them,
does not exceed the amount specified at the end of section 180(2)(normal threshold for benefit of a loan to be treated as earnings).
(3) Subsection (4) applies if—
(a) two or more employment-related loans are made by the same employer, and
(b) during the relevant tax year, a person acquires a right to payment of an amount (the “transfer amount”) equal to the whole or part of the payment made by way of any of the loans.
(4) The transfer amount is to be treated as an “amount outstanding” on that loan for the purposes of subsection (2)(b).
(5) In this section—
(a) “employment-related loan” has the same meaning as it has for the purposes of Chapter 7 of Part 3;
(b) “relevant tax year” means the tax year in which the relevant step is taken.”
(8) In section 554Z(10)(b) (interpretation: relevant step which involves a sum of money), after “section 554C(1)(a)” insert “to (ab)”.
(9) In section 554Z1(2)(a) (relevant step taken after A’s death etc.), after “554C” insert “, by virtue of subsection (1)(a) or (b) to (e) of that section,”.
(10) For section 554Z5 (overlap with earlier relevant step) substitute—
“554Z5 Overlap with money or asset subject to earlier tax liability
(1) This section applies if there is overlap between—
(a) the sum of money or asset ("sum or asset P") which is the subject of the relevant step, and
(b) a sum of money or asset ("sum or asset Q") by reference to which, on an occasion that occurred before the relevant step is taken, A became subject to a liability for income tax ("the earlier tax liability").
(2) But this section does not apply where—
(a) the earlier tax liability arose by reason of a step within section 554B taken in a tax year before 6 April 2011, and
(b) the value of the relevant step is (or if large enough would be) reduced under paragraph 59 of Schedule 2 to FA 2011.
(3) Where either the payment condition or the liability condition is met, the value of the relevant step is reduced (but not below nil) by an amount equal to so much of the sum of money, or (as the case may be) the value of so much of the asset, as is within the overlap.
(4) The payment condition is that, at the time the relevant step is taken—
(a) the earlier tax liability has become due and payable, and
(b) either—
(i) it has been paid in full, or
(ii) the person liable for the earlier tax liability has agreed terms with an officer of Revenue and Customs for the discharge of that liability.
(5) The liability condition is that, at the time the relevant step is taken, the earlier tax liability is not yet due and payable.
(6) For the purposes of this section there is overlap between sum or asset P and sum or asset Q so far as it is just and reasonable to conclude that—
(a) they are the same sum of money or asset, or
(b) sum or asset P directly, or indirectly, represents sum or asset Q.
(7) Subsection (8) applies where—
(a) the earlier tax liability arose by virtue of the application of this Chapter by reason of an earlier relevant step (the "earlier relevant step"), and
(b) reductions were made under this section to the value of the earlier relevant step.
(8) Where this subsection applies, sum or asset P is treated as overlapping with any other sum of money or asset so far as the other sum of money or asset was treated as overlapping with sum or asset Q for the purposes of this section.
(9) In subsection (1)(b)—
(a) the reference to A includes a reference to any person linked with A, and
(b) the reference to a liability for income tax does not include a reference to a liability for income tax arising by reason of section 175 (benefit of taxable cheap loan treated as earnings).
(10) In subsection (3) the reference to the value of the relevant step is a reference to that value—
(a) after any reductions made to it under section 554Z4, this section or 554Z7, or
(b) before any reductions made to it under section 554Z6 or 554Z8.
(11) For the purposes of subsection (4)(b)(i) a person is not to be regarded as having paid any tax by reason only of making—
(a) a payment on account of income tax,
(b) a payment that is treated as a payment on account under section 223(3) of FA 2014 (accelerated payments), or
(c) a payment pending determination of an appeal made in accordance with section 55 of TMA 1970.
(12) In sub-paragraph (1)(f), after “554Z4” insert “and 554Z6”.

(13) In the opening words of sub-paragraph (2), after “554Z4” insert “and 554Z6”.
(14) The amendments made by paragraphs (1) to (10) of this Resolution have effect in relation to relevant steps taken on or after 6 April 2017.
(15) The amendments made by paragraphs (11) to (13) of this Resolution have effect in relation to chargeable steps (as defined in paragraph 59 of Schedule 2 to the Finance Act 2011) taken on or after 6 April 2017.
And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

30. DISGUISED REMUNERATION SCHEMES

Resolved.
That—
(a) provision may be made amending—
(i) sections 38 and 866 of the Income Tax (Trading and Other Income) Act 2005, and
(ii) section 1290 of the Corporation Tax Act 2009;
(b) provision may be made about the income tax treatment of benefits arising in pursuance of an arrangement in connection with a trade.

31. TRANSACTIONS IN LAND IN THE UNITED KINGDOM

Resolved.
That provision may be made in relation to the amendments made by sections 76 to 80 of the Finance Act 2016.

32. CO-OWNERSHIP AUTHORISED CONTRACTUAL SCHEMES

Resolved.
That provision may be made about co-ownership authorised contractual schemes.

33. VAT (ZERO-RATING OF ADAPTED MOTOR VEHICLES ETC)

Resolved.
That—
(1) In Schedule 8 to the Value Added Tax Act 1994 (zero-rating), Group 12 (drugs, medicines, aids for the handicapped etc) is amended as follows.
(2) For item 2A substitute—
"2A (1) The supply of a motor vehicle (other than a motor vehicle capable of carrying more than 12 persons including the driver) to a person ("P") if—
(a) the motor vehicle is a qualifying motor vehicle by virtue of paragraph (2) or (3),
(b) P is a disabled person to whom paragraph (4) applies, and
(c) the vehicle is supplied for domestic or P's personal use.

(2) A motor vehicle is a "qualifying motor vehicle" by virtue of this paragraph if it is designed to enable a person to whom paragraph (4) applies to travel in it.
(3) A motor vehicle is a "qualifying motor vehicle" by virtue of this paragraph if—
(a) it has been substantially and permanently adapted to enable a person to whom paragraph (4) applies to travel in it, and
(b) the adaptation is necessary to enable P to travel in it.
(4) This paragraph applies to a disabled person—
(a) who usually uses a wheelchair, or
(b) who is usually carried on a stretcher.
(5R) In the case of a relevant supply of a motor vehicle to a disabled person, items 2(f) and 2A cannot apply unless, before the supply is made, the person making the supply has given a certificate in the required form which—

(a) states that the supply will not fall within Note (5N), and

(b) sets out any other matters, and is accompanied by any supporting documentary evidence, that may be required under a notice published by the Commissioners for the purposes of this Note.

(5S) The information that may be required under Note (5Q(a) includes—

(a) the name and address of the disabled person and details of the person’s disability, and

(b) any other information that may be relevant for the purposes of that Note,

and the matters that may be required under Note (5R(b) include any information that may be required for the purposes of Note (5Q)).

(5T) In Notes (5N) to (5S) in the required form means complying with any requirements as to form that may be specified in a notice published by the Commissioners;

“reckonable zero-rated acquisition”, in relation to a motor vehicle, means an acquisition of the vehicle from another member State in a case where—

(a) VAT is not chargeable on the acquisition as a result of item 2(f) or 2A, and

(b) the acquisition takes place on or after 1 April 2017;

“reckonable zero-rated importation”, in relation to a motor vehicle, means an importation of the vehicle from a place outside the member States in a case where—

(a) VAT is not chargeable on the importation as a result of item 2(f) or 2A, and

(b) the importation takes place on or after 1 April 2017;

“reckonable zero-rated supply”, in relation to a motor vehicle, means a supply of the vehicle which—

(a) is a supply of goods,

(b) is zero-rated as a result of item 2(f) or 2A, and

(c) is made on or after 1 April 2017.

(5U) In items 2A and 2B references to design, or adaptation, of a motor vehicle to enable a person (or a person of any description) to travel in it are to be read as including a reference to design or, as the case may be, adaptation of the motor vehicle to enable the person (or persons of that description) to drive it.”
(b) in the heading, for “handicapped” substitute “disabled”.

(10) In Group 12 (drugs, medicines, aids for the handicapped etc)—

(a) in items 2 to 19 and Notes (1) and (5B) to (9), for each occurrence of “handicapped” substitute “disabled”;

(b) for Note (3) substitute—

“(3) Any person who is chronically sick or disabled is “disabled” for the purposes of this Group.”;

(c) in the heading, for “handicapped” substitute “disabled”.

(11) In Group 15 (charities etc)—

(a) in item 5 and Notes (1C) to (4A), (5A) and (5B), for “handicapped” substitute “disabled”;

(b) for Note (5) substitute—

“(5) Any person who is chronically sick or disabled is “disabled” for the purposes of this Group.”

(12) The amendments made by this Resolution have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2017.

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

34. INSURANCE PREMIUM TAX (STANDARD RATE)

Question put,

That—

(1) In section 51(2)(b) of the Finance Act 1994 (standard rate of insurance premium tax), for “10 per cent” substitute “12 per cent”.

(2) Subject to paragraph (3), the amendment made by paragraph (1) has effect in relation to a premium falling to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2017.

(3) That amendment does not have effect in relation to a premium falling within paragraph (4), unless the premium falls to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2018.

(4) A premium falls within this paragraph if it is in respect of a risk for which the period of cover begins before 1 June 2017.

(5) In the application of sections 66A and 66B of the Finance Act 1994 (anti-forestalling provision) in relation to the increase in insurance premium tax made by this Resolution, the announcement relating to that increase is to be taken to have been made on 8 March 2017 (and “the change date” is to be taken to be 1 June 2017).

(6) This Resolution is to be read with section 66C of the Finance Act 1994 (premiums relating to more than one period of cover).

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

The House divided: Ayes 309, Noes 286.

Division No. 181] [7.14 pm

AYES

Baldwin, Bob
Blackwood, Nicola
Blunt, Crispin
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brazil, Sir Julian
Bridgen, Andrew
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Courts, Robert
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
Djohngly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evernett, rh David
Fabrickant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fyfe, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Gauke, rh Mr David
Ghani, Nusrat
Gibb, rh Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, 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, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, Julian

NEES

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, Andrew
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew

Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, rh Karen
Brazil, Sir Julian
Bridgen, Andrew
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Courts, Robert
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
Djohngly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evernett, rh David
Fabrickant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Fyfe, Marcus
Gale, Sir Roger
Garnier, Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, rh Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, 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, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, Julian
Tellers for the Ayes:
Steve Brine and Andrew Griffiths

NOES
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Eford, Clive
Elliott, Julie
Elliott, Tom
Ellman, rh Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fielo, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
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
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hermion, Lady
Hillier, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Wollaston, Dr Sarah
Wragg, William
Zahawi, Nadhim
Abbott, rh Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Arkless, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Gregory
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Clegg, rh Mr Nick
Clwyd, rh Ann
Coaker, Vernon
Coey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crausby, Sir David
Cravley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharman, Alok
Sheelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Michael
Smith, Rhys
Smollett, Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Neil
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tilhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, Richard
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, rh Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, rh Mr Edward
Vara, Mr Shaihesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warmen, Matt
Watkinson, Dame Angela
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
William, Craig
Williamson, rh Gavin
Wilson, Mr Rob
(2) After section 66 insert—

“66A Rate increases: deemed date of receipt of certain premiums

(1) This section applies where a Minister of the Crown announces a proposed increase in the rate at which tax is to be charged on a premium if it is received by the insurer on or after a date specified in the announcement (“the change date”).

(2) This section applies whether or not the announcement includes an announcement of a proposed exception from the increase (for example, for premiums in respect of risks for which the period of cover begins before the change date).

(3) Subsection (4) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and

(b) the change date is before the first anniversary of the change date.

(4) For the purposes of this Part the premium is to be taken to be received on the change date.

(5) Subsection (6) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and

(b) the period of cover for the risk begins on or after the first anniversary of the change date.

(6) For the purposes of this Part—

(a) so much of the premium as is attributable to such of the period of cover as falls on or after the first anniversary of the change date is to be taken to be received on the change date, and

(b) so much as is so attributable is to be taken to be a separate premium.

(7) In determining whether the condition in subsection (3)(a) or (5)(a) is met, regulations under section 68(3) or (7) apply as they would apart from this section.

(8) But where subsection (4) or (6) applies—

(a) that subsection has effect despite anything in section 68 or regulations under that section, and

(b) any regulations under section 68 have effect as if the entry made in the accounts of the insurer showing the premium as due to the insurer had been made as at the change date.

(9) A premium treated by subsection (6) as received on the change date is not to be taken to fall within any exception, from an increase announced by the announcement, for premiums in respect of risks for which the period of cover begins before the change date.

(10) Any attribution under this section is to be made on such basis as is just and reasonable.

(11) In this section—

Question accordingly agreed to.

35. INSURANCE PREMIUM TAX
(ANTI-FORESTALLING PROVISION)

Resolved,

That—

(1) The Finance Act 1994 is amended as follows

(2) After section 66 insert—

“66A Rate increases: deemed date of receipt of certain premiums

(1) This section applies where a Minister of the Crown announces a proposed increase in the rate at which tax is to be charged on a premium if it is received by the insurer on or after a date specified in the announcement (“the change date”).

(2) This section applies whether or not the announcement includes an announcement of a proposed exception from the increase (for example, for premiums in respect of risks for which the period of cover begins before the change date).

(3) Subsection (4) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and

(b) the period of cover for the risk begins on or after the change date.

(4) For the purposes of this Part the premium is to be taken to be received on the change date.

(5) Subsection (6) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and

(b) the period of cover for the risk begins before the change date.

(6) For the purposes of this Part—

(a) so much of the premium as is attributable to such of the period of cover as falls on or after the first anniversary of the change date is to be taken to be received on the change date, and

(b) so much as is so attributable is to be taken to be a separate premium.

(7) In determining whether the condition in subsection (3)(a) or (5)(a) is met, regulations under section 68(3) or (7) apply as they would apart from this section.

(8) But where subsection (4) or (6) applies—

(a) that subsection has effect despite anything in section 68 or regulations under that section, and

(b) any regulations under section 68 have effect as if the entry made in the accounts of the insurer showing the premium as due to the insurer had been made as at the change date.

(9) A premium treated by subsection (6) as received on the change date is not to be taken to fall within any exception, from an increase announced by the announcement, for premiums in respect of risks for which the period of cover begins before the change date.

(10) Any attribution under this section is to be made on such basis as is just and reasonable.

(11) In this section—
“increase”, in relation to the rate of tax, includes the imposition of a charge to tax by adding to the descriptions of contract which are taxable insurance contracts;

“Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975.

**66B Section 66A: exceptions and apportionments**

(1) Section 66A(3) and (4) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for a premium to be received by or on behalf of the insurer before the date when cover begins

(2) Section 66A(5) and (6) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for cover to be provided for a period of more than twelve months.

(3) If a contract relates to more than one risk, then in the application of section 66A(3) and (4) or 66A(5) and (6)—

(a) the reference in section 66A(3)(b) or (5)(b) to the risk is to be read as a reference to any given risk,

(b) so much of the premium as is attributable to any given risk is to be taken for the purposes of section 66A(3) and (4) or 66A(5) and (6) to be a separate premium relating to that risk,

(c) those provisions then apply separately in the case of each given risk and the separate premium relating to it, and

(d) any further attribution required by section 66A(5) and (6) is to be made accordingly,

and subsections (1)(2) and section 66A(9) apply accordingly.

(4) Any attribution under this section is to be made on such basis as is just and reasonable.

**66C Rate changes: premiums relating to more than one period of cover**

(1) This section applies if any Act—

(a) makes an amendment of section 51(2)(a) or (b) which alters the higher rate or standard rate (“the relevant rate”),

(b) provides for the amendment to have effect in relation to a premium falling to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after a particular date (“the change date”), and

(c) makes provision that excepts from that amendment a premium which in respect of a risk for which the period of cover begins before the change date.

(2) Subsection (3) applies if a premium which is liable to tax at the relevant rate, and which falls to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after the change date, is—

(a) partly in respect of a risk for which the period of cover begins before the change date, and

(b) partly in respect of a risk for which the period of cover begins or after that date.

(3) So much of the premium as is attributable to the risk for which the period of cover begins or after the change date is to be treated for the purposes of this Part and the provision mentioned in subsection (1)(c) as a separate premium.

(4) Where a premium is in respect of a relevant rate matter and also a matter that is not a relevant rate matter—

(a) for the purposes of the provision mentioned in subsection (1)(c), the premium is to be treated as in respect of a risk for which the period of cover begins before the change date if the part of it attributable to the relevant rate matter is in respect of such a risk, and

(b) the reference in subsection (2) to a premium which is liable to tax at the relevant rate is to be read as a reference to so much of the premium as is attributable to the relevant rate matter (and subsection (3) is to be read accordingly).

(5) If premiums of any description are excluded from the exception mentioned in subsection (1)(c), nothing in subsections (2) to (4) applies to a premium of that description.

(6) Nothing in subsection (4) applies to an excepted premium (within the meaning given by section 69A).

(7) Any attribution under this section is to be made on such basis as is just and reasonable.

(8) In this section a “relevant rate matter” means—

(a) where the relevant rate is the standard rate, a standard rate matter as defined by section 69(12)(c);

(b) where the relevant rate is the higher rate, a higher rate matter as defined by section 69(12)(d).

(9) In subsection (1) the reference to any Act includes a resolution which has statutory effect under the Provisional Collection of Taxes Act 1968.”

(3) Omit—

(a) section 67 (spent transitional provision), and

(b) sections 67A to 67C (which are superseded by sections 66A and 66B inserted by paragraph (2)).

(4) The amendments made by paragraphs (2) and (3)(b) have effect on and after 8 March 2017.

(5) Despite the repeal by paragraph (3) of sections 67A and 67C of the Finance Act 1994, those sections continue to have effect so far as they apply to premiums received on or after 23 November 2016 and before 8 March 2017.

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

### 36. LANDFILL TAX

Resolved,

That provision may be made about landfill tax.

### 37. AIR PASSENGER DUTY (RATES FOR 2017)

Resolved,

That—

(1) In section 30 of the Finance Act 1994 (air passenger duty: rates of duty), in subsection (4A) (long haul rates of duty)—

(a) in paragraph (a), for “£73” substitute “£75”;

(b) in paragraph (b), for “£146” substitute “£150”.

(2) The amendments made by this Resolution have effect in relation to the carriage of passengers beginning on or after 1 April 2017.

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

### 38. AIR PASSENGER DUTY (RATES FOR LATER YEARS)

Resolved,

That provision may be made about the rates of air passenger duty.

### 39. VEHICLE EXCISE DUTY (RATES FOR LIGHT PASSENGER VEHICLES ETC)

Resolved,

That—

(1) Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty) is amended as follows.

(2) In paragraph 1 (general rate of duty)—

(a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1.549cc), for “£235” substitute “£245”, and

(b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1.549cc), for “£145” substitute “£150”.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.
(3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
   (a) in the words before paragraph (a), for “tables” substitute “table”,
   (b) in paragraph (a), at the end insert “and”,
   (c) in paragraph (b), at the end omit “, and”,
   (d) omit paragraph (c),
   (e) for Tables 1 and 2 substitute—

<table>
<thead>
<tr>
<th>CO₂ emissions</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Exceeding g/km</td>
<td>Not Exceeding g/km</td>
</tr>
<tr>
<td>100</td>
<td>110</td>
</tr>
<tr>
<td>110</td>
<td>120</td>
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<tr>
<td>225</td>
<td>255</td>
</tr>
<tr>
<td>255</td>
<td>—</td>
</tr>
</tbody>
</table>

(f) in the sentence immediately following Table 2—
   (i) at the beginning, for “Table 2” substitute “The table”, and
   (ii) for paragraphs (a) and (b) substitute—
     “(a) in column (3), in the last two rows, “295” were substituted for “310” and “525”, and
     (b) in column (4), in the last two rows, “305” were substituted for “520” and “535”.”

(4) In paragraph 1J (VED rates for light goods vehicles), in paragraph (a), for “£230” substitute “£240”.

(5) In paragraph 2(1) (VED rates for motorcycles)—
   (a) in paragraph (a), for “£17” substitute “£18”,
   (b) in paragraph (b), for “£39” substitute “£41”,
   (c) in paragraph (c), for “£60” substitute “£62”, and
   (d) in paragraph (d), for “£82” substitute “£85”.

(6) The amendments made by this Resolution have effect in relation to licences taken out on or after 1 April 2017.

And it is declared that it is expedient in the public interest that

40. ALCOHOLIC LIQUOR DUTIES (RATES)

Question put,

That—

(1) The Alcoholic Liquor Duties Act 1979 is amended as follows.
(2) In section 5 (rate of duty on spirits), for “£27.66” substitute “£28.74”.
(3) In section 36(1AA) (rates of general beer duty)—
   (a) in paragraph (za) (rate of duty on lower strength beer), for “£8.10” substitute “£8.42”, and
   (b) in paragraph (a) (standard rate of duty on beer), for “£18.37” substitute “£19.08”.
(4) In section 37(4) (rate of high strength beer duty), for “£5.48” substitute “£5.69”.
(5) In section 62(1A) (rates of duty on cider)—
   (a) in paragraph (a) (rate of duty per hectolitre on sparkling cider of a strength exceeding 5.5%), for “£268.99” substitute “£279.46”.
   (b) in paragraph (b) (rate of duty per hectolitre on cider of a strength exceeding 7.5% which is not sparkling cider), for “£58.75” substitute “£61.04”, and
   (c) in paragraph (c) (rate of duty per hectolitre in any other case), for “£38.87” substitute “£40.38”.
(6) For the table in Schedule 1 substitute—

“Table of Rates of Duty on Wine and Made-wine

PART 1

Wine or Made-wine of a Strength Not Exceeding 22%

<table>
<thead>
<tr>
<th>Description of wine or made-wine</th>
<th>Rates of duty per hectolitre £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine or made-wine of a strength not exceeding 4%</td>
<td>88.93</td>
</tr>
<tr>
<td>Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%</td>
<td>122.30</td>
</tr>
<tr>
<td>Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling</td>
<td>288.65</td>
</tr>
<tr>
<td>Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%</td>
<td>279.46</td>
</tr>
<tr>
<td>Sparkling wine or sparkling made-wine of a strength of 8.5% but not exceeding 15%</td>
<td>369.72</td>
</tr>
<tr>
<td>Wine or made-wine of a strength exceeding 15% but not exceeding 22%</td>
<td>384.82</td>
</tr>
</tbody>
</table>

PART 2

Wine or Made-wine of a Strength Exceeding 22%

<table>
<thead>
<tr>
<th>Description of wine or made-wine</th>
<th>Rates of duty per hectolitre £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine or made-wine of a strength exceeding 22%</td>
<td>28.74</td>
</tr>
</tbody>
</table>

(7) The amendments made by this Resolution come into force on 13 March 2017.

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

The House divided: Ayes 313, Noes 276.
Budget Resolutions 14 March 2017

Tellers for the Ayes:

Andrew Griffiths
Steve Brine and

Tellers for the Noes:

Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, lain
Stewart, Rory
Streete, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julie
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tohill, 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, Mr rh Edward
Vara, rh ShaiLeah
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warmann, Matt
Watkinson, Dame Angela
Whaton, James
Whatley, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim
NOES
Abbott, rh Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Allin-Khan, Dr Rosena
Arkless, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
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
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Craddes, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debonoaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Doughty, Stephen
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliot, Julie
Elliot, Tom
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Flello, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gehins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Hamilton, Fabian
Hanson, rh Mr David
Harmann, rh Ms Harriet
Harries, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Heron, Lady
Hillier, Meg
Hodgson, Mrs Sharon
Hoey, Kate
Hollem, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Sane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinahan, Danny
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Long Bailey, Rebecca
Lucas, Ian C.
Lynch, Holly
MacNeil, Mr Angus Brendan
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Mr Khalid
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonald, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, rh John
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Mears, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Moon, Mrs Madeleine
Morden, Jessica
Mulholland, Greg
Mullin, Roger
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Nicolson, John
O’Hara, Brendan
O’Reilly, Sarah
Onn, Melanie
Osamor, Kate
Oswald, Kirsten
Owen, Albert
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Phillips, Jess
Phillipson, Bridget
Pound, Stephen
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Robinson, Gavin
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Salmond, rh Alex
Saville Roberts, Liz
Shah, Naz
Shanahan, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Jeff
Smith, Nick
Smyth, Karin
Snell, Gareth
Spellar, rh Mr John
Stephens, Chris
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewliss, Alison
Thomas-Symonds, Nick
Thomson, Michelle
Thornberry, rh Emily
Timms, rh Stephen
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
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Dame Rosie
Wright, Mr Iain
Zeichner, Daniel

Tellers for the NOES:
Owen Thompson and Marion Fellows

Question accordingly agreed to.
41. REMOTE GAMING DUTY

Resolved,
That provision may be made about remote gaming duty.

42. TOBACCO PRODUCTS DUTY (RATES)

Resolved,
That—
(1) The Tobacco Products Duty Act 1979 is amended as follows.
(2) For the table in Schedule 1 substitute—

<table>
<thead>
<tr>
<th>“Table”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cigarettes</td>
</tr>
<tr>
<td>2. Cigars</td>
</tr>
<tr>
<td>3. Hand-rolling tobacco</td>
</tr>
<tr>
<td>4. Other smoking tobacco and chewing tobacco</td>
</tr>
</tbody>
</table>

(3) The amendment made by this Resolution is treated as having come into force at 6pm on 8 March 2017.

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

43. TOBACCO PRODUCTS DUTY (MINIMUM EXCISE DUTY)

Resolved,
That—
(1) The Tobacco Products Duty Act 1979 is amended as follows.
(2) In section 6(5)(a) (alteration of rates of duty), for “the amount” substitute “each amount”.
(3) For the first row in the table in Schedule 1 (as that table has effect under Resolution 42) substitute—

<table>
<thead>
<tr>
<th>“1. Cigarettes”</th>
</tr>
</thead>
<tbody>
<tr>
<td>An amount equal to the higher of—</td>
</tr>
<tr>
<td>(a) 16.5% of the retail price plus £207.99 per thousand cigarettes, or</td>
</tr>
<tr>
<td>(b) £268.63 per thousand cigarettes</td>
</tr>
</tbody>
</table>

(4) The amendments made by this Resolution come into force on 20 May 2017.

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

44. SOFT DRINKS INDUSTRY LEVY

Resolved,
That provision may be made for a new tax to be charged in respect of soft drinks containing added sugar.

45. PROMOTERS OF TAX AVOIDANCE SCHEMES (THRESHOLD CONDITIONS ETC)

Resolved,
That—
(1) In Part 2 of Schedule 34 to the Finance Act 2014 (meeting the threshold conditions: bodies corporate and partnerships), in paragraph 13A (interpretation), for sub-paragraphs (6) to (8) substitute—

“(6) Two or more persons together control a body corporate if together they have the power to secure that the affairs of the body corporate are conducted in accordance with their wishes in any way specified in sub-paragraph (5)(a) to (c).”

(7) A person controls a partnership if the person is a member of the partnership and—
(a) has the right to a share of more than half the assets, or more than half the income, of the partnership, or
(b) directs, or is on a day-to-day level in control of, the management of the business of the partnership.

(8) Two or more persons together control a partnership if they are members of the partnership and together they—
(a) have the right to a share of more than half the assets, or more than half the income, of the partnership, or
(b) direct, or are on a day-to-day level in control of, the management of the business of the partnership.

(9) Paragraph 19(2) to (5) of Schedule 36 (connected persons etc) applies to a person referred to in sub-paragraph (7) or (8) as if references to “P” were to that person.

(10) A person has significant influence over a body corporate or partnership if the person—
(a) does not control the body corporate or partnership, but
(b) is able to, or actually does, exercise significant influence over it (whether or not as the result of a legal entitlement).

(11) Two or more persons together have significant influence over a body corporate or partnership if together those persons—
(a) do not control the body corporate or partnership, but
(b) are able to, or actually do, exercise significant influence over it (whether or not as the result of a legal entitlement).

(12) References to a person being a promoter are to the person carrying on business as a promoter.”

(2) In Part 2 of Schedule 34 to the Finance Act 2014, for paragraphs 13B to 13D substitute—

“Relevant bodies controlled etc by other persons treated as meeting a threshold condition

13B (1) A relevant body is treated as meeting a threshold condition at the relevant time if any of Conditions A to C are met.

(2) Condition A is that—
(a) a person met the threshold condition at a time when the person was a promoter, and
(b) the person controls or has significant influence over the relevant body at the relevant time.

(3) Condition B is that—
(a) a person met the threshold condition at a time when the person controlled or had significant influence over the relevant body,
(b) the relevant body was a promoter at that time, and
(c) the person controls or has significant influence over the relevant body at the relevant time.

(4) Condition C is that—
(a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the threshold condition,
(b) the relevant body was a promoter at that time, and
(c) those persons together control or have significant influence over the relevant body at the relevant time.

(5) Where the person referred to in sub-paragraph (2)(a) or (3)(a) or (4)(a) as meeting a threshold condition is an individual, sub-paragraph (1) only applies if the threshold condition is a relevant threshold condition.

(6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a). Persons who control etc a relevant body treated as meeting a threshold condition

13C (1) If at a time when a person controlled or had significant influence over a relevant body—
(a) the relevant body met a threshold condition, and
(b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,

the person is treated as meeting the threshold condition at the relevant time.

(2) It does not matter whether any relevant body referred to in sub-paragraph (1) exists at the relevant time.

Relevant bodies controlled etc by the same person treated as meeting a threshold condition

13D (1)F—

(a) a person controlled or had significant influence over a relevant body at a time when it met a threshold condition, and
(b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,

any relevant body which the person controls or has significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.

(2) If—

(a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a threshold condition, and
(b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,

any relevant body which those persons together control or have significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.

(3) It does not matter whether—

(a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2)(a) or (b) exists at the relevant time, or
(b) the relevant body existing at the relevant time existed at the time referred to in sub-paragraph (1) (a) or (2) (a).”

(3) In Part 4 of Schedule 34A to the Finance Act 2014 (meeting section 237A conditions: bodies corporate and partnerships), for paragraphs 20 to 22 substitute—

"Relevant bodies controlled etc by other persons treated as meeting section 237A condition

20 (1)A relevant body is treated as meeting a section 237A condition at the section 237A(2) relevant time if any of Conditions A to C are met.

(2) Condition A is that—

(a) a person met the section 237A condition at a time when the person was a promoter, and
(b) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.

(3) Condition B is that—

(a) a person met the section 237A condition at a time when the person controlled or had significant influence over the relevant body,
(b) the relevant body was a promoter at that time, and
(c) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.

(4) Condition C is that—

(a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the section 237A condition,
(b) the relevant body was a promoter at that time, and
(c) those persons together control or have significant influence over the relevant body at the section 237A(2) relevant time.

(5) Sub-paragraph (1) does not apply where the person referred to in sub-paragraph (2)(a), (3)(a), or (4)(a) as meeting a section 237A condition is an individual.

(6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a).

‘Persons who control etc a relevant body treated as meeting a section 237A condition

21 (1) If at a time when a person controlled or had significant influence over a relevant body—

(a) the relevant body met a section 237A condition, and
(b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,

the person is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(2) It does not matter whether any relevant body referred to in sub-paragraph (1) exists at the section 237A(2) relevant time.

‘Relevant bodies controlled etc by the same person treated as meeting a section 237A condition

22 (1) If—

(a) a person controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and
(b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,

any relevant body which the person controls or has significant influence over at the section 237A(2) relevant time is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(2) If—

(a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and
(b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,

any relevant body which those persons together control or have significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.

(3) It does not matter whether—

(a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2)(a) or (b) exists at the relevant time, or
(b) the relevant body existing at the relevant time existed at the time referred to in sub-paragraph (1) (a) or (2) (a).”

(3) In Part 4 of Schedule 34A to the Finance Act 2014 (meeting section 237A(2) relevant time), for paragraphs 20(1)(a), 21(1)(a) and 22(1)(a)” substitute “20 to 22”.

(7) Section 283(1) of the Finance Act 2014 has effect for the purposes of this Resolution as if, in the definition of “tax”, paragraph (e) (inheritance tax) were omitted.
And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

46. INCIDENTAL PROVISION ETC

Resolved,
That it is expedient to authorise—
(a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation, and
(b) any incidental, consequential or supplementary provision (including provision having retrospective effect) relating to provision authorised by the preceding resolutions.

47. FUTURE TAXATION

Resolved,
That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—
(a) provision about the dividend nil rate of income tax,
(b) provision for corporation tax to be charged for the financial year 2018,
(c) provision amending Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (taxable benefits: cars etc),
(d) provision about the tax treatment of payments or benefits received in connection with the termination of an employment or a change in the duties in, or earnings from, an employment,
(e) provision amending sections 703 and 704 of the Income Tax (Earnings and Pensions) Act 2003 (PAYE agreements),
(f) provision about the application of Chapter 2 of Part 7A of the Income Tax (Earnings and Pensions) Act 2003 in cases where loans are made and rights acquired,
(g) provision about the income tax treatment of loans, or acquired rights, in cases where there is an arrangement in connection with a trade,
(h) provision about the rates of air passenger duty,
(i) provision for and in connection with a new tax to be charged in respect of soft drinks containing added sugar, and
(j) provision for and in connection with digital reporting and record-keeping for businesses within the charge to income tax and for partnerships.

48. MUSEUMS AND GALLERIES EXHIBITION TAX CREDITS

Resolved,
That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain provision for tax credits to be paid to museums and galleries exhibition production companies in respect of expenditure on the production of exhibitions.

49. TOBACCO PRODUCTS MANUFACTURING MACHINERY (LICENSING SCHEMES)

Resolved,
That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may confer powers on the Commissioners for Her Majesty’s Revenue and Customs to make provision for, or in connection with, a licensing scheme for persons carrying out certain activities in relation to tobacco products manufacturing machinery.

50. THIRD COUNTRY GOODS FULFILMENT BUSINESSES

Resolved,
That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may make provision for the approval and registration of persons carrying on a third country goods fulfilment business.

51. PENALTIES FOR ENABLERS OF DEFEATED AVOIDANCE (NATIONAL INSURANCE CONTRIBUTIONS)

Resolved,
That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain provision for the purpose of protecting public revenues against losses in connection with the use of arrangements relating to national insurance contributions.

Ordered,
That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, the Prime Minister, the Chancellor of the Exchequer, Secretary Boris Johnson, Secretary Sajid Javid, Secretary Justine Greening, Mr David Gauke, Simon Kirby and Jane Ellison bring in the Bill.

FINANCE (NO. 2) BILL

Presentation and First Reading

Jane Ellison accordingly presented a Bill to grant certain duties, to alter other duties and to amend the law relating to the national debt and the public revenue, and to make further provisions in connection with finance.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 156).

7.44 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): On a point of order, Mr Deputy Speaker. Early this afternoon, the Government published a letter from the Social Security Advisory Committee regarding the Government’s emergency legislation to cut personal independence payment support for more than 160,000 chronically ill and disabled people. You will recall that the Government did not consult the Social Security Advisory Committee before introducing these regulations on 23 February, and they are due to come into force in just two days’ time. The Committee subsequently examined the regulations, and in its damning finding, it highlights the need for the Government to consult more widely on these PIP changes and to test the proposed changes. Crucially, it also warns that they could have an impact on existing PIP awards, in direct contradiction to Ministers, who have repeatedly claimed that no current recipient of PIP would lose out.

Mr Deputy Speaker, could you tell me whether you have received any indication from Ministers as to when they plan to make a statement on this issue and on how, in two days’ time, they intend to action the Committee’s recommendations? I also seek guidance on how I can ensure that this policy is effectively scrutinised and that the Government are properly held to account on this issue.
Mr Deputy Speaker (Mr Lindsay Hoyle): Two things: I thank the hon. Lady for giving me notice of her point of order; and we actually have the relevant Minister, who wants to respond now, which may be helpful.

The Minister for Disabled People, Health and Work (Penny Mordaunt): The Social Security Advisory Committee decided not to take the regulations on formal reference or to consult further. It made two recommendations, which we are considering and will respond to in due course. As the Secretary of State for Work and Pensions has said from the Dispatch Box, there is no change to our policy, our budget or the award amounts. We can be confident that no one’s award will be altered, all things being equal, if and when they are reassessed, because prior to the relevant case, the case law was conflated and confused, and therefore no assessment providers changed their scoring and no DWP decision makers altered or increased the award amounts. It is very important that we reassure people on that benefit that there is no change to the policy, to the budget or to the award amounts, and that if their condition is the same, they will continue to receive the award.

Debbie Abrahams: Further to that point of order, Mr Deputy Speaker. The Minister’s statement is in direct contradiction to the letter that she has received, and I seek further.—[Interruption.]

Mr Deputy Speaker: Order. We cannot have the debate now, but if the hon. Lady is unsatisfied with that response, she knows how to use the usual channels and that would be the best way forward.

Business Without Debate

Mr Deputy Speaker (Mr Lindsay Hoyle): With the leave of the House, we shall take motions 3 to 19 together.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LOCAL GOVERNMENT

That the draft Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017, which was laid before this House on 6 February, be approved.

That the draft Tees Valley Combined Authority (Functions and Amendment) Order 2017, which was laid before this House on 6 February, be approved.

That the draft Liverpool City Region Combined Authority (Functions and Amendment) Order 2017, which was laid before this House on 6 February, be approved.

NORTHERN IRELAND

That the draft Collection of Fines etc. (Northern Ireland Consequential Amendments) Order 2017, which was laid before this House on 6 February, be approved.

LOCAL GOVERNMENT

That the draft Greater Manchester Combined Authority (Fire and Rescue Functions) Order 2017, which was laid before this House on 6 February, be approved.

That the draft Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017, which was laid before this House on 20 February, be approved.

CONSTITUTIONAL LAW

That the draft Air Weapons and Licensing (Scotland) Act 2015 (Consequential Provisions) Order 2017, which was laid before this House on 6 February, be approved.

WATER INDUSTRY

That the draft Water Industry Designated Codes (Appeals to the Competition and Markets Authority) Regulations 2017, which were laid before this House on 3 February, be approved.

That the draft Water Supply Licence and Sewerage Licence (Modification of Standard Conditions) Order 2017, which was laid before this House on 30 January, be approved.

ENVIRONMENTAL PROTECTION

That the draft Water Act 2014 (Consequential Amendments etc.) Order 2017, which was laid before this House on 30 January, be approved.

SOCIAL SECURITY

That the draft Mesothelioma Lump Sum Payments (Conditions and Amounts) (Amendment) Regulations 2017, which were laid before this House on 25 January, be approved.

That the draft Pneumoconiosis etc. (Workers’ Compensation) (Payment of Claims) (Amendment) Regulations 2017, which were laid before this House on 25 January, be approved.

REGULATORY REFORM

That the draft Economic Growth (Regulatory Functions) Order 2017, which was laid before this House on 6 December 2016, be approved.

DEREGULATION

That the draft Growth Duty Statutory Guidance, a copy of which was laid before this House on 12 December 2016, be approved.

SOCIAL SECURITY

That the draft Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2017, which were laid before this House on 16 January, be approved.

That the draft Tax Credits and Guardian’s Allowance Up-rating etc. Regulations 2017, which were laid before this House on 6 February, be approved.

INSOLVENCY

That the draft Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency (Amendment) Act (Northern Ireland) 2016 (Consequential Amendments and Transitional Provisions) Regulations 2017, which were laid before this House on 18 January, be approved.—(Mark Spencer.)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CROWN

That the draft Sovereign Grant Act 2011 (Change of Percentage) Order 2017, which was laid before this House on 26 January, be approved.—(Mark Spencer.)

The Deputy Speaker’s opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 15 March (Standing Order No. 41A).
Motion made, and Question put forthwith (Standing Order No. 118(6)),

FINANCIAL SERVICES AND MARKETS
That the draft Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017, which was laid before this House on 9 February, be approved.—(Mark Spencer.)

Question agreed to.

Fuel Poverty
Motion made, and Question proposed, That this House do now adjourn.—(Mark Spencer.)

7.48 pm

Paul Scully (Sutton and Cheam) (Con): The UK has one of the largest economies in the world, growing quicker than many of its neighbours. We have record levels of employment and a welfare system that, despite differences of opinions across the political divide, provides an effective safety net in most cases and stacks up well in comparison with several countries around the world. However, we still have a number of vulnerable people, including children and the elderly, who make incredibly difficult choices about whether to eat or heat each day.

It is estimated that around 2.4 million households in England are in fuel poverty, the definition of which varies somewhat. In the past, the Government considered a household that needs to spend more than 10% of its income to maintain an adequate heating regime to be in fuel poverty. That is still the case in Scotland and Northern Ireland. However, I can see the Government’s concern that that definition is too loose, with “income” and “adequate heating regime” meaning different things to different organisations. That is why fuel poverty in England is now measured using the low income, high costs indicator, whereby a household is considered to be fuel-poor if its required fuel costs are above the national median level and it would be left with a residual income below the official poverty line were it to spend that amount. Admittedly it is more technical and less snappy, but LIHC allows for a more focused approach to identify those in most immediate need.

The different methodologies make it more complicated to compare numbers across the UK, but the best estimate is that a total of 4 million households are in fuel poverty.

Jim Shannon (Strangford) (DUP): Fuel poverty is an important issue for us in Northern Ireland. The hon. Gentleman will know that 17% of people across the UK are in fuel poverty, but in Northern Ireland the figure is 42%, which is massive. Does he agree that any fuel poverty strategy and funding allocation must take a co-ordinated, UK-wide approach to address that shocking statistic, which speaks more of fuel poverty levels in a developing country than in the United Kingdom of Great Britain and Northern Ireland?

Paul Scully: I am glad that the hon. Gentleman has had a chance to air that important point, because I understand the situation in Northern Ireland.

Governments have recognised fuel poverty as a problem and have put strategies in place. The numbers affected by fuel poverty have reduced over the past decade overall, but slowly, by around 1%. Cavity walls now insulated have doubled over that period, and Government figures clearly show that houses with solid walls and in which portable heaters are used, rather than central heating, are far more likely to be in fuel poverty. There are still some 600,000 houses without central heating. People who privately renting are twice as likely to be in fuel poverty than those in local authority or housing authority properties. However, all the numbers are still too high.
There is regional variation, as we have heard, with the north-east of England having the highest proportion of households in fuel poverty despite also seeing the largest percentage decrease, some 5% over the past 11 years. However, there are also many hidden cases. The London Borough of Sutton is a relatively prosperous borough, but it has pockets of deprivation that can easily be overlooked when considering London on a macro level. Within those pockets live people who get stuck between the cracks when it comes to low pay, welfare support, high energy prices and homes that are not energy efficient. That is likely to include older people on a small fixed income who are living in a large house that may be difficult to heat. Downsizing may or may not be an option, but it is one part of the solution.

Age UK has calculated that there have been 2.5 million avoidable deaths among older people in England and Wales due to winter cold over the past 60 years. Cold weather causes a massive spike in associated health problems, such as heart attacks and strokes, and there is a strong relationship between poor insulation and inadequate heating of houses, low indoor temperatures and excess winter deaths among older people. Age UK goes on to estimate that, each winter, one older person dies every seven minutes from the cold weather. Age UK has a number of advice guides that I strongly recommend colleagues share with constituents, particularly the elderly.

Beyond the impact on the frail and elderly, we all know from the casework that children living in damp and mouldy homes are particularly at risk. They are almost three times as likely to suffer from coughing, wheezing and respiratory illness. Evidence also highlights that infants living in cold conditions are at greater risk of admission to hospital or primary care facilities. In turn, living in such conditions also affects educational achievement, either through increased school absence due to illness or because children are unable to find a quiet, warm place to study at home.

Financial stress about energy bills causes huge anxiety that can exacerbate mental health problems, leading to depression and, unfortunately, potentially suicide. Currently, more than one in four adolescents living in a cold house is at risk of multiple mental health problems. There are three particular variables that affect the figures: income levels, energy prices and the energy efficiency of people’s homes.

The Government have sought to tackle low incomes by addressing the underlying causes of poverty, rather than by using cash transfers that just lift people over an arbitrary threshold in the short term. Rising tax thresholds have taken 1.3 million of the lowest paid out of income tax entirely since the start of this Parliament and have allowed others to keep more of what they earn. The introduction of the national living wage, which is due to reach £9 by 2020, is delivering a pay rise for millions of low-paid workers. The lowest-paid workers saw their pay go up by more than 6% in 2015-16, well above inflation, through those and other measures. Working parents are also benefiting from increased support with childcare costs.

There are a number of reasons why energy prices remain stubbornly high, including the fact that oil prices have doubled from their low point since early last year. SSE has become the last of the big six energy companies to review its current prices, with 2.8 million of its standard tariff customers facing a 6.9% increase. On Thursday, my hon. Friend the Member for Westonsuper-Mare (John Penrose) will lead a debate in the Chamber in which he will call on the Government to introduce a relative price cap that brings the worst-value standard variable tariffs within a margin of the best-value fixed deals. His premise is to maintain competition by not introducing a strict cap, while seeking to end the exploitation of loyal customers—the set of people who, in a properly functioning market, would be the first to be rewarded.

Price-wise, it is important to address prepayment meters, which are used by many people in or around the fuel poverty category. The best way to keep prices low is to switch more—through competition—but that is often easier said than done. Although the number of people who switched rose by 30% last year, around two thirds of bill payers are still on the worst-value standard tariffs, despite Energy UK data that suggest that energy switching rates in Britain are the highest of any large energy market in the world.

Together, the big six energy companies have a commanding share of the market, in spite of their losing market share in both domestic and non-domestic supply. Between April 2015 and March 2016, 14 new licensed suppliers became active in the domestic market. The new entrants have a variety of business models, such as not-for-profit, renewable and local supply schemes. The increase in competition is to be welcomed, with small and medium-sized suppliers growing to account for 14% of the domestic market in March 2016.

If I may be parochial for a moment, I should point out that not every alternative small supplier adds to the liberalisation of the market. The London Borough of Sutton, my home borough, has launched an initiative called SDEN—the Sutton decentralised energy network—which takes the energy generated by a new, unpopular incinerator in Beddington on the Croydon border and pipes it to a new estate of houses that is currently under construction in nearby Hackbridge. Although few residents in Beddington wanted an incinerator as their new neighbour, the concept of using recovered energy in new homes seemed reasonable at first glance. However, last year our local paper, the Sutton Guardian, reported a proposed tariff that was some 21% more expensive than Sainsbury’s Energy was charging at the time. Such a decentralised network, piping energy in this way, prohibits residents from buying their energy from any other source, thus forcing them to take it up and locking them into a contract without the possibility of switching—the very opposite of liberalisation, and from a Liberal Democrat-run council.

Smart meters have been touted as a way to reduce energy use and fixed costs and to allow easier switching. They allow energy companies to harvest a lot of data and remove the costs of meter readings from their bottom line, but will they serve the customer well? The first generation of smart meters, SMETS1—smart meter equipment technical specification 1—worked while the customer was with the particular supplier that installed the meter, but they were not flexible enough in their interoperability. The next generation, the SMETS2 meters, are meant to solve that problem, but unfortunately the roll-out date has been delayed.

An open system will allow for the greatest flexibility. Apps that can nudge customers into energy reduction and more efficient use of their appliances and heating
can be of huge benefit. Time and again we see how open source means better, faster and more flexible innovation. A few years ago, Windsor and Maidenhead Council put its money where its mouth is and fitted very visible meters on council buildings to show its energy use, leading to considerable reductions in energy consumption. That is nudge theory working really well. That could and should happen in domestic settings, too, with technology used to highlight high usage and so change behaviour, rather than people getting a shock from a high bill sometime later down the line.

The Government are working to improve the energy efficiency of homes throughout the country. Households that struggle with their bills are eligible for insulation measures, including solid wall insulation, through the energy company obligation scheme. Homeowners and those in privately rented homes who are on specific benefits may also be eligible for support through heating improvements, including oil-fired boiler replacements, through the ECO affordable warmth scheme. I welcome the fact that more than 2 million energy efficiency measures have been installed in more than 1.6 million homes since 2013, and the Government have made a commitment to insulate a further million homes by 2020.

I further welcome the fact that a greater focus of this support for low-income households will be on working families, and that the Government will continue to ring-fence a proportion of delivery for rural areas. The warm home discount scheme continues to help ensure that households at risk of fuel poverty can afford to heat their homes. This helps more than 2 million households a year with £140 going towards their energy bills. Pensioners also get further help through the winter fuel allowance.

The Government retain the goal of insulating 1 million more homes by 2020. However, I remain concerned that the Committee on Fuel Poverty, which advises the Government on this matter, raised serious doubts in September 2016 that the 2020 and 2025 fuel poverty energy efficiency milestones can be achieved. It believes that, over time, the £2.1 billion per year spent on fuel poverty programmes such as the warm home discount and winter fuel payments needs to be better targeted at those most in need of assistance.

The WHD will be reviewed in this Parliament and, currently, only 15% of it is targeted towards those in fuel poverty. The winter fuel payment is universal and so clearly not targeted, but it is also committed until 2020. The Committee also believes that the Government should seek to attract new sources of funding to assist in meeting the fuel poverty strategy milestones. Examples it cites include modifying existing legislation to require private landlords to upgrade the energy efficiency levels of their properties; giving the same priority to improving household energy efficiency as to generating new renewable energy; and modifying existing legislation to attract more third-party capital. I would be grateful to the Minister if he commented on those thoughts in his response.

I was motivated to raise this matter after hearing about an initiative by the local Sutton business, MaximEyes. This company has launched a number of awards by working with its clients on energy management and efficiency as well as utility infrastructure and procurement. Its core business is about the best use of energy, so it is well placed to examine and help tackle fuel poverty as part of its corporate social responsibility. It approached me to help identify households in need that it could help to turn around as part of its Fuel the Change initiative.

The company aims to take 1,000 homes out of fuel poverty by 2020 as its business develops. It has created a solid partnership with the Foundations Independent Living Trust, which has the expertise and infrastructure to ensure that the funding is used in the most efficient way and that it reaches those who are most in need.

Businesses that address issues to which they can relate directly tend to have more effect. Writing a cheque gives bosses a warm, short-term glow, but using a company’s resources to tackle something connected to its core business, market or interests can have a far bigger effect on the beneficiaries.

I am delighted that a Sutton business is taking a lead, encouraging other businesses to join it and to put something back, especially in an area that can really save lives. I hope that Members will join me in the Macmillan Room next Tuesday at 1 pm to speak about this further with the MaximEyes team and with representatives of related businesses. Businesses can, and should, be a force for good. I know that the Minister and my Government colleagues take this matter seriously. There is much to commend them for in the way that they are tackling low pay. We need to continue to improve competition in the energy market and look at how we can grow our investment in our housing stock to ensure that homes are energy efficient. We must also use emerging technology, such as apps, to influence behaviour; battery storage, such as Tesla’s Powerwall; and of course renewables. We must also work with the construction industry and allied businesses to ensure that they play their part. I look forward to my hon. Friend informing this House about what more can be done in the future by Government, energy providers, businesses such as MaximEyes, charities and individuals in this really important area of fuel poverty.

8.3 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): What a delight it is, Mr Deputy Speaker, to see you in the Chair. I thank my hon. Friend the Member for Sutton and Cheam (Paul Scully) for selecting such an important issue for debate this evening. I am very grateful to him for his interest in fuel poverty, but for his leadership in hosting a discussion in the Palace of Westminster next week. You may have detected, Mr Deputy Speaker, the subtle way in which he wove in the details of the time and place into his speech on how we can support efforts to tackle fuel poverty in the UK.

The Government recognise that fuel poverty is a significant issue, affecting households throughout the United Kingdom, as the Committee on Fuel Poverty rightly highlighted in its 2016 report. I massively welcome the insight and challenge to Government that the committee brings. I also welcome the fact that it can help us, by those means, to deliver a suite of solutions for those who need help that is as effective as possible. Only this morning, I spoke to David Blakemore, the chair of the committee since November last year, and I look forward to working with him and the committee over the coming years.
As my hon. Friend has said, fuel poverty is measured in England by the low income, high costs indicator. According to that indicator, a household is fuel poor if it has an income below the poverty line and, at the same time, higher than typical energy costs. It is a relative indicator that is essentially a balance of two averages. It is fair to say that the total number of households living in fuel poverty has been relatively static over the past few years. However, there has been a fall over time between 2010, when there were just under 2.5 million households in fuel poverty in England—as my hon. Friend will know, this is a devolved matter—and 2014, when the latest official statistics record 2.38 million households. Those households face an average fuel poverty gap of some £371, which is itself a measure of the severity of the problem.

Perhaps I can assure my hon. Friend that, as he has rightly acknowledged, the Government are committed to helping households in fuel poverty, or on lower incomes and living in homes that are expensive to heat. I congratulate him on rightly highlighting the broader measures that the Government have taken in recent years by raising income tax thresholds and introducing the national living wage. Both those things are, at the broadest level, important contributions to solving the problem. He also rightly focused on the significant public concerns about recent announcements of price increases by the energy suppliers. I am glad that, as a result of action by the Competition and Markets Authority, in February this year Ofgem announced details of a cap on the amount that suppliers can charge prepayment meter customers. This will take effect from April and will help to protect those customers from high energy costs.

Energy suppliers have delivered nearly 700,000 measures in 500,000 low-income and vulnerable households since the energy company obligation began in 2013. That is part of a total of some 1.6 million homes that have been improved over that period, but this Government are going further to take action to tackle the root cause of fuel poverty, recognising that improving household energy efficiency is the most sustainable long-term solution to tackling the problem. Next week, the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 will be debated in both houses to extend the scheme from 1 April 2017 to 30 September 2018. The measure will seek to reform ECO so that 70% of the support under the scheme will now be directed at low-income homes. That represents an increase from £310 million to £450 million a year that will be invested in improving the energy efficiency of homes that most need support. We expect that the reformed ECO will improve about 500,000 homes over the coming 18 months, and the Government have made a commitment to insulate 1 million homes over the life of this Parliament.

Recognising the fact that people also need immediate support with energy bills, we also have in place the warm home discount, which my hon. Friend recognised. The scheme provides more than 2 million low-income and vulnerable households with a £140 rebate off their energy bill each winter, when temperatures are lowest and bills highest. Together, the schemes mean that there will be at least £770 million of support for low-income and vulnerable consumers over the period 2017-18.

Jim Shannon: In my intervention on the hon. Member for Sutton and Cheam (Paul Scully), who introduced the debate, I mentioned having a co-ordinated plan across the whole of the United Kingdom of Great Britain and Northern Ireland so that we can collectively—in all the regions—take on the energy companies and work together. Has the Minister given any thought to how we could progress that?

Jesse Norman: As I have said, this is a devolved matter, so that does not specifically bear on it. However, on the wider question of whether there is scope for more joined-up thinking, I would absolutely welcome the hon. Gentleman’s suggestions, or indeed suggestions from the Northern Ireland Executive, as to how those things could be done, and we would give them a very warm interrogation. I am not sure what would come out—we would have to see the suggestions—but the warmth and the interest from our side are certainly there.

I should add that the role of regulation will also be important as we take action to ensure that tenants can live in a home that keeps them comfortably warm. The private rented sector regulations will target the least efficient, F and G-rated properties from 2018 by requiring landlords to improve those properties to at least a band E, unless a valid exemption applies. My Department is considering options for the implementation of the regulations, with a view to ensuring they can be implemented effectively by April 2018.

Of course, there is more work to be done. One important area will be to improve targeting on the households most in need—a topic my hon. Friend rightly raised. The Digital Economy Bill, which is going through Parliament, will be important in that regard, as it will make available better data on householders and properties. That, in turn, will reduce the costs obligated suppliers face in identifying households that are most in need, and it will allow more measures to be installed for the same cost.

I hope my hon. Friend will agree that the Government are taking this matter with the appropriate level of seriousness, but what I have described are all Government-led actions, whereas fuel poverty is a problem for all of society, and the Government cannot tackle it alone, as he rightly said. That is why partnership is a key theme of the fuel poverty strategy. It is important for the Government to play a leadership role, but it is also important for them to work alongside initiatives from local government, businesses, individuals and the charitable sector. Only by making the most of the varied skills and resources of each of these partners—the collective resources of society as a whole—can we collaboratively tackle the long-term social problems of fuel poverty.

In that context, I welcome the Fuel the Change initiative, which is due to be launched next week, and which my hon. Friend mentioned. I am looking forward to hearing the outcomes from the discussion led by my hon. Friend and Baroness Verma of how businesses can support the fight to tackle fuel poverty in the UK. This debate, and my colleague’s excellent speech this evening, are important contributions to that further conversation.

Question put and agreed to.

8.12 pm
House adjourned.
House of Commons

Wednesday 15 March 2017

The House met at half-past Eleven o’clock

PRAYERS

[Mr Speaker in the Chair]

BUSINESS BEFORE QUESTIONS

Middle Level Bill
Second Reading opposed and deferred until Wednesday 22 March (Standing Order No. 20).

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Judiciary

1. Jim Shannon (Strangford) (DUP): If he will make an assessment of the implications for his policies of recent statements by Gerry McGeough on the judiciary.

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): I condemn the irresponsible and disgraceful comments made by Gerry McGeough. I strongly support the work of the judiciary in Northern Ireland. Any attack on it is unacceptable.

Jim Shannon: I thank the Minister for his response, but I call on him to contact the Public Prosecution Service to find out why a man who was convicted of the attempted murder of my colleague Councillor Sammy Brush and released on licence following his conviction, and who is known to have a lengthy history of violence, is not being pursued by the Police Service of Northern Ireland and the PPS for his recent threat against Catholic members of the judiciary, whom he named as traitors. What will the Minister do to ensure that action is taken?

Kris Hopkins: I reiterate our condemnation of the comments made by Gerry McGeough. Our responsibility, if we are given the relevant information, is to consider whether we can suspend the licence. It is up to the independent commissioners to discuss that. It would be wrong for us to seek to fix the system further down. I trust our police service and the PPS to make the right decision.

Lady Hermon (North Down) (Ind): The Minister will know that Mr McGeough did not receive a comfort letter, apparently because of an internal feud within Sinn Féin. The scheme for issuing comfort letters to those on the run—a scheme operated by Labour and Conservative Governments—was utterly deplorable, completely immoral and wrong. Will the Minister confirm for the record that no such scheme, or anything akin to an amnesty, is on the table for negotiation with Sinn Féin in dealing with legacy issues? That would be very helpful.

Kris Hopkins: Yes.

Power-sharing Agreement

2. Maria Caulfield (Lewes) (Con): What progress has been made on a power-sharing agreement following the recent elections in Northern Ireland.

The Secretary of State for Northern Ireland (James Brokenshire): The Government are committed to the resumption of devolved government in Northern Ireland, and I believe that the parties and the Irish Government share this commitment. Later today, I will return to Belfast to continue intensive discussions to establish a partnership Executive within the short timeframe available. Progress has been made but it needs to continue, with urgency, if we are to achieve a positive outcome.

Maria Caulfield: As a nurse, I am acutely aware of the need for the Northern Ireland Executive to set a budget to ensure that public services, particularly health services, are adequately funded. Without an Executive in place, that is almost impossible. Does the Secretary of State share my fear that the failure to restore the Executive is putting Northern Ireland at severe financial risk?

James Brokenshire: My hon. Friend highlights some of the issues surrounding setting a budget for Northern Ireland, which is a key priority. She highlights the health service, and I pay tribute to all those who work in the health service in Northern Ireland. They do an incredible job. There is a sense of the real potential and opportunity that a new Executive can take forward, and we must equally reflect on the £120 million identified in last week’s Budget that an Executive could invest, through to 2021, to really take Northern Ireland forward.

Mr Nigel Dodds (Belfast North) (DUP): May I, on behalf of my colleagues, express my condolences and sympathy to the families of the crew of the Irish Coast Guard helicopter that has crashed? I am certain that everyone in Northern Ireland and the Irish Republic will be deeply sympathetic to the families at this time. I also extend my sympathy to the family of George Gilmore, who was murdered in Carrickfergus in recent days. It appears that this appalling and terrible crime was carried out by loyalist paramilitaries. Will the Secretary of State reiterate the determination of all of us to move forward on the Stormont House agreement in relation to the provisions to tackle paramilitarism, both republican and loyalist?

James Brokenshire: I join the right hon. Gentleman in his comments and thoughts about the crew of the Irish helicopter. That is a terrible tragedy and I know that the whole House will share that view. I also join him in condemning the appalling murder that has taken place. I spoke to the PSNI about the case this morning, and I
know that it is actively pursuing lines of inquiry. He also highlights the issue of paramilitarism, and I stand absolutely four-square behind our continuing work to confront that scourge. There is no justification for it at all. We are also providing funding to the tune of £25 million in support of that important work.

**Mr Dodds:** Further to that, the Secretary of State will be aware that the DUP is absolutely and totally committed in the current talks to getting devolution back up and running in Northern Ireland. We did not tear down the institutions or create the present crisis; others walked away. We are determined to restore the Executive as quickly as possible. What the Prime Minister said yesterday about ruling out a border poll was good, but will the Secretary of State confirm that the Irish Republic’s involvement in the strand 1, 2 and 3 talks is limited to strands 2 and 3 on the relationships between Northern Ireland and the Republic, and that the Republic also has a role to play in answering questions about legacy issues?

**James Brokenshire:** I can certainly confirm that that is the approach that is being taken, which is consistent with the Belfast agreement. The contribution that the Irish Government are making in that context is positive, and we all feel a responsibility to see devolved Government back in place, delivering for Northern Ireland. I know that all the parties recognise that and are working hard to achieve it.

**Deidre Brock** (Edinburgh North and Leith) (SNP): I am pleased to hear that the Secretary of State rules out the direct rule option, but what contingency planning is he doing? Is he prepared to extend the negotiation period if no agreement is reached?

**Stephen Pound** (Ealing North) (Lab): Today is a rather sombre day in that it marks the Ides of March, but this Friday we will have the opportunity to hail glorious St Patrick. If you will allow me, Mr Speaker, I will wish you and the House the happiest St Patrick’s day in advance.

Like many Members, I cannot remember a more serious time since the Good Friday agreement was signed, and I say on behalf of my Opposition colleagues that normal hostilities are suspended. We will be offering unequivocal support to the Secretary of State, the Minister and the Government. The time for internecine dispute in this place is over; the time for constructive engagement and working together is here and now. In that tone, and with reference to the talks the Secretary of State mentioned earlier, has there been a roundtable plenary involving any or all of the parties?

**James Brokenshire:** I thank the hon. Gentleman for his support. I think we share a cross-party approach on the serious issue of ensuring that we get an Executive back in place, delivering for Northern Ireland and following through on commitments and, indeed, the expectations of the public. I hope he will understand that I will not provide a running narrative on the talks, but I can say that I believe progress is being made. Some significant issues still need to be resolved, but we are none the less approaching this with good will.

**James Brokenshire:** The hon. Gentleman makes an important point, and it goes back to the fact that a budget has not been set, which has created uncertainty. We need to see the Executive in place within the three-week timescale, because there could be implications for a range of different issues within Northern Ireland. That is why the community and voluntary sector, the faith community and the business community have been firmly underlining the clear need to get devolved government working, stable and back, and that is where our focus needs to be.
Good Friday Agreement: Institutions

3. Mike Gapes (Ilford South) (Lab/Co-op): What discussions he has had with Ministers in the Republic of Ireland on the future of institutions established under the Good Friday agreement.

The Secretary of State for Northern Ireland (James Brokenshire): The Government stand firmly behind the institutions of the Belfast agreement and its successors. I have regular discussions with the Irish Government on a range of issues. Our immediate focus, consistent with the Belfast agreement, is working with the parties to resume the devolved Administration.

Mike Gapes: The Secretary of State will know that, at the time of the Good Friday agreement nearly 19 years ago, the European Union played a role alongside the Irish and British Governments. Does he envisage any role for international support to maintain the institutional frameworks, particularly the all-Ireland institutional co-operation that has been so important over recent years?

James Brokenshire: The hon. Gentleman is right to highlight the strong relationship between the UK Government, the Northern Ireland Executive and the Government of the Republic of Ireland. We stand four-square behind our commitments under the Belfast agreement and its successors, and at EU level I have picked up strong support for the Good Friday/Belfast agreement. We are determined to get the best possible deal for Northern Ireland, recognising our commitments and recognising the Belfast agreement.

15. Mrs Sheryll Murray (South East Cornwall) (Con): On the Good Friday agreement, will the Secretary of State ensure that the disgraceful treatment of my constituent Corporal Major Dennis Hutchings and others will be addressed as part of any further discussions on legacy issues?

James Brokenshire: My hon. Friend has raised the issue of her constituent on a number of occasions, and I pay tribute to her for her work as a constituency MP. She will understand that I am unable to comment on individual cases, but I can say that the current system for dealing with a range of issues related to legacy is not working for anyone. It is not working for service personnel and it is not working for victims, which is why it is important that we move forward with the Stormont House bodies to create the balanced, proportionate and fair system that everyone recognises is needed.

Mark Durkan (Foyle) (SDLP): Does the Secretary of State not understand that Brexit could have implications for the standing and currency of some of the implementation bodies that were created under strand 2 of the agreement? Also, does he appreciate that strand 2 offers an ambit of north-south co-operation and common implementation that could help to answer some of the problems that Brexit creates?

James Brokenshire: Before Christmas there was a good discussion at the North South Ministerial Council on the EU and other related issues. It is important to recognise the institutional framework that we have under the Belfast agreement. That is something we support, and I draw the hon. Gentleman’s attention to the White Paper, which highlighted that support and our recognition of it.

Gavin Robinson (Belfast East) (DUP): The Secretary of State will have heard the belligerent utterance of the former Sinn Féin director of Unionist engagement, who said that the Prime Minister can stick a hard or soft border “where the sun doesn’t shine”.

I invite the Secretary of State to remind Martina Anderson and all those in Sinn Féin that it is the Good Friday agreement that sets the terms for the future of Northern Ireland, that it is based on the majority will of the people and that it has not changed.

James Brokenshire: We stand behind the Belfast agreement and the principle of consent that is contained within it. The hon. Gentleman will have heard what the Prime Minister said on that issue yesterday. Of course we recognise that there are significant issues, which is why we have said that we do not want to see a return to the borders of the past and that we recognise the desire for an expansive free trade agreement with the EU. It is important that we continue that dialogue and discourse and that we focus on these serious issues in that way.

Stephen Pound (Ealing North) (Lab): My hon. Friend the Member for Ilford South (Mike Gapes) is right to refer to the role of the Irish Government, and I praise the Secretary of State for the good working relationship he has established with Minister Flanagan. I thank him for the statements made by his Minister yesterday at yet another of the many St Patrick’s day celebrations, when he paid tribute not only to the role of our co-guarantor for the Good Friday agreement, the Dublin Government, but to Ambassador Dan Mulhall, who will be leaving us in London for Washington. Does the Secretary of State agree that Ambassador Mulhall has been a perfect example of how we can work together in the interests of all?

James Brokenshire: I have very much enjoyed and appreciated working with Ambassador Mulhall, whom we wish well in his new and perhaps challenging and exciting role. It is important to underline the strong relationship we have with the Irish Government on a range of issues. We want to see that continuing into the future, and that engagement will be continued with that spirit in mind.

Political Developments

4. Edward Argar (Charnwood) (Con): What assessment he has made of recent political developments in Northern Ireland.

7. Wendy Morton (Aldridge-Brownhills) (Con): What assessment he has made of recent political developments in Northern Ireland.

9. Amanda Milling (Cannock Chase) (Con): What assessment he has made of recent political developments in Northern Ireland.
10. Rebecca Harris (Castle Point) (Con): What assessment he has made of recent political developments in Northern Ireland.

The Secretary of State for Northern Ireland (James Brokenshire): Nearly 65% of the Northern Ireland electorate voted for continued devolved government. I have seen that endorsed over the past 10 days in a shared willingness among the parties to engage in intensive discussions, acknowledging what is at stake if an Executive are not formed. These are still significant challenges, but I believe that with continued positive intent we can secure a resolution that sees devolved government resumed.

Edward Argar: I welcome that answer from my right hon. Friend, just as I welcome the economic success story that is the Northern Irish economy over the past few years. Does he agree that a key part of that success has been effective, stable power-sharing government, which is another reason for all parties to resolve this situation as swiftly as possible?

James Brokenshire: I do recognise that, and my hon. Friend is right to highlight some of the important successes in the Northern Ireland economy. The labour market survey statistics that are out today show 56,000 more jobs since 2010 in Northern Ireland, which highlights what has been achieved and what can be achieved in future with a strong Executive in place.

Wendy Morton: I wish my right hon. Friend well in the discussions taking place in Northern Ireland. Does he agree that, whatever issues need to be overcome, devolved government within the UK remains by far and away the best option for Northern Ireland?

James Brokenshire: I strongly agree with my hon. Friend. The public voted overwhelmingly and clearly, with that increased turnout, for devolved government to be put back in place, delivering for Northern Ireland, and I am determined to see that, too.

Amanda Milling: Does my right hon. Friend agree that the result of the Assembly election demonstrates the desire of the overwhelming majority of people in Northern Ireland for strong and stable devolved government?

James Brokenshire: Yes, I do. That stability is able to bring about further positive change in Northern Ireland, with further foreign direct investment and more jobs being created. That is what I strongly support, and I know that vision is also shared by the parties.

Rebecca Harris: Will my right hon. Friend confirm that in all their discussions the Government will maintain their full support for the Belfast agreement and its successors, including, crucially, the principle that Northern Ireland’s position within the Union will always be determined by the principle of consent?

James Brokenshire: I am happy to confirm that. We stand four-square behind our commitments under the Belfast agreement, with the principle of consent being a firm part of that. I am also clear about the support that we see for the continuing institutions and structures, and giving effect to that.

13. Mrs Margaret Ritchie (South Down) (SDLP): May I offer my condolences to those who lost their lives this week, particularly those in the Irish Coast Guard, who do so much good work in the north, particularly in my constituency?

Brexit is a crucial factor in the current political landscape in Northern Ireland and should be part of the ongoing talks process. Will the Secretary of State confirm that the issue of single status, where we do not go back to any borders of the past, is a feature of these talks?

James Brokenshire: I echo the hon. Lady’s comments about those who lost their lives. We recognise Northern Ireland’s unique circumstances—its economy, geography and history—and will ensure that they are properly taken into account as we prepare for EU exit. We want to ensure that those issues are properly reflected in the negotiations ahead so that we get the best possible deal for Northern Ireland.

Tom Elliott (Fermanagh and South Tyrone) (UUP): What does the Secretary of State see as the greatest stumbling blocks in the current talks? How confident is he that a deal will be established by 27 March?

James Brokenshire: As I have indicated, I think a deal can be achieved with good will and a real sense of urgency in the discussions ahead. Issues still need to be overcome, and as I have already said, it would not be constructive to provide a running narrative. I urge people to continue to engage and to be involved in those intensive talks, because that is how we will get a positive result.

Sammy Wilson (East Antrim) (DUP): I too express my condolences to the family of my constituent Mr Gilmore, who was murdered by paramilitaries this week. Given the attitude Sinn Féin have adopted regarding whom they will accept as First Minister, the role of the Secretary of State in talks and their desire to have soldiers and policemen prosecuted in the courts, does the Secretary of State believe there is much chance of success in the talks? If not, will he move quickly to fill the budget gap left by the Sinn Féin Finance Minister?

James Brokenshire: This remains doable—that is the important message we need to underline. Yes, of course, time is short, and yes, there is a range of issues that still need to be discussed and agreed on, but there is need for positive intent on all sides, which will be the best way to get the right outcome.

Mr Speaker: Order. These are extremely serious matters affecting Northern Ireland, the people of which might think it a tad discourteous if we do not have an attentive hearing for colleagues. Let us have an attentive hearing for Theresa Villiers.

Mrs Theresa Villiers (Chipping Barnet) (Con): The Government and the police have disclosed unprecedented amounts of information about the troubles, some of it extremely sensitive. Does the Secretary of State agree that some information is so sensitive that it can never go into the public domain because if it did, it would put lives at risk?
James Brokenshire: I agree with my right hon. Friend. With all her experience as the previous Secretary of State, she knows the sensitivity and importance of issues of national security, which remains the primary responsibility of the UK Government. In our actions, we will certainly continue to have that at the forefront of our mind.

D’Hondt System

5. Sir Hugo Swire (East Devon) (Con): What assessment he has made of the effectiveness of the d’Hondt system in Northern Ireland.

Hon. Members: Hear, hear!

Mr Speaker: The Minister should bask in his own popularity.

Kris Hopkins: I take it that reaction was not for me.

The use of the d’Hondt system is a stipulation of the Belfast agreement, as it ensures cross-community representation in the Executive. The Government are committed to upholding Northern Ireland’s constitutional settlement, as outlined in the Belfast agreement and its successors.

Sir Hugo Swire: The priority must of course be to persuade all the parties back into government in Northern Ireland to avoid the prospect of direct rule. Given the recent instability, in the longer term is it worth having a discussion about a new form of government involving a Government and an Opposition?

Kris Hopkins: I thank my right hon. Friend for his question, but we are not considering a review at this moment in time. What is important now is to help the parties to come back together and form an Executive, and that is the Government’s focus.

Mr Gregory Campbell (East Londonderry) (DUP): Does the Minister agree that, as the talks develop over the next few weeks, a likely consensus is going to emerge around the Stormont House agreement and all the contents therein? We should base progress, and hopefully around the Stormont House agreement and all the common consensus that is currently out there. There have already been agreements on Stormont House, so obviously that should be the centre point of the current talks.

Kris Hopkins: It would be appropriate to build around the common consensus that is currently out there. There have already been agreements on Stormont House, so obviously that should be the centre point of the current talks.

Tom Pursglove: Tourism in Northern Ireland currently generates a revenue of £764 million and attracts 4.5 million visitors a year. In the light of Brexit, what steps will be taken in partnership to ensure that even further tourist growth is delivered?

Kris Hopkins: We have a commitment to an industrial strategy, engagement with all sectors in Northern Ireland, and additional funding of some £600 million a year for the GREAT Britain campaign.

14. [909184] Dr Alasdair McDonnell (Belfast South) (SDLP): Does the Secretary of State accept that tourism has the potential to make an even more significant contribution to the Northern Ireland economy, particularly in deprived rural areas? Will he take steps to ensure that adequate resources are invested in the Northern Ireland tourist board and in Tourism Ireland to ensure that we have a product and that we market it?

Kris Hopkins: Just last week, my right hon. Friend the Chancellor committed additional money to funding in Northern Ireland. There is a responsibility to get the Executive back to offer leadership in this matter. I urge every Member in this House to visit Northern Ireland—take a weekend break—as it is an amazing place to visit.

Mr Speaker: Finally, constraints of time are against us, but Sir Jeffrey Donaldson must be heard.

Operation Banner

8. Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): What discussions he has had with the Secretary of State for Defence on the provision of legal protection to veterans of the armed forces who served in Northern Ireland under Operation Banner.

The Parliamentary Under-Secretary of State for State for Northern Ireland (Kris Hopkins): This Government are unstinting in our admiration for the role that our armed forces have played in Northern Ireland in securing democracy and consent. The current process for addressing the past is not working, as my right hon. Friend the Secretary of State said earlier, and we will ensure that the new legacy bodies will be under legal obligations to be fair, balanced and proportionate. [Interruption.]

Mr Speaker: Order. Let us hear from Sir Jeffrey Donaldson.

Sir Jeffrey M. Donaldson: Given the scrapping of the Iraq inquiries and the judgment today in the case of Alexander Blackman, is it not time that the Government provided legal protection to the men and women who serve this country on the frontline?

Kris Hopkins: This Government never move away from their obligation to care for their veterans. We have put in huge resources to do that. I know that the right
hon. Gentleman is very passionate about looking after our armed forces personnel. I am more than happy to meet him to discuss this matter further.

**PRIME MINISTER**

*The Prime Minister was asked—*

**Engagements**

Q1. [999256] Huw Merriman (Bexhill and Battle) (Con): If she will list her official engagements for Wednesday 15 March.

The Prime Minister (Mrs Theresa May): I am sure that Members will want to join me in wishing people across the UK and around the world a happy St Patrick’s day this coming Friday.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Huw Merriman: With my Irish blood, may I also wish people a happy St Patrick’s day?

I welcome the Government’s announcement that we will abide by the letter of our manifesto and also the spirit. Does the Prime Minister agree that, as we move towards balancing the books, we must ensure that we have a fair and sustainable tax system?

The Prime Minister: I thank my hon. Friend for his question. We made a commitment not to raise tax, and we put our commitment into the tax lock. The measures that we put forward in the Budget last week were consistent with those locks. As a number of my parliamentary colleagues have been pointing out in recent days—[Interruption.]

Mr Speaker: Order. This is intolerable. [Interruption.] I take no view on the matter, but I do take a view on the importance of hearing the questions and the answers.

The Prime Minister: As a number of my parliamentary colleagues have been pointing out in recent days, the trend towards greater self-employment does create a structural issue in the tax base on which we will have to act. We want to ensure that we maintain, as they have said, fairness in the tax system. We will await the report from Matthew Taylor on the future of employment; consider the Government’s overall approach to employment status and rights to tax and entitlements; and bring forward further proposals, but we will not bring forward increases to national insurance contributions later in this Parliament.

Jeremy Corbyn (Islington North) (Lab): First, may I wish everyone in my constituency, in Ireland and all around the world a very happy St Patrick’s day on the 17th?

We have just heard that the Prime Minister is about to drop the national insurance hike announced only a week ago. It seems to me that the Government are in a bit of chaos here with a Budget that unravels in seven days, a Conservative manifesto with a pensive Prime Minister on the front page saying that there would be no increase, and a week ago an increase being announced. If they are to drop the increase, as they are indicating, the Prime Minister should thank the Federation of Small Businesses and all those who have pointed out both how unfair the increase would be and how big business evades an awful lot of national insurance through bogus self-employment.

The Prime Minister: I do not think the right hon. Gentleman listened to the answer I gave to my hon. Friend the Member for Bexhill and Battle (Huw Merriman). I normally stand at this Dispatch Box and say I will not take any lectures from the right hon. Gentleman, but when it comes to lectures on chaos he would be the first person I turned to.

Jeremy Corbyn: I think the Prime Minister should offer an apology for the chaos that her Government have caused during the past week and the stress they have caused to the 4.8 million self-employed people in this country. Will she offer that apology? Her hon. Friend the Under-Secretary of State for Wales did so a week ago; it is time she joined him. This measure, if carried through, will create a black hole in the budget. What is she going to do to fill that black hole?

The Prime Minister: If the right hon. Gentleman is so concerned about balancing the books, why is it Labour party policy to borrow half a trillion pounds and bankrupt Britain?

Jeremy Corbyn: Given that this Government propose to borrow more between now and 2020 than the entire borrowing of all Labour Governments put together, we do not need lectures from them on that.

I hope that in his statement later today the Chancellor will address the question of injustice to many people who are forced into bogus self-employment by unscrupulous companies, many of which force their workers to become self-employed and thereby avoid employer’s national insurance contributions. It is a grossly unfair system where those in self-employment pay some national insurance, but employers do not and benefit from it. That is a gross injustice that must be addressed.

The Prime Minister: The right hon. Gentleman obviously has not noticed that one of the first things I did when I became Prime Minister was commission Matthew Taylor of the RSA to conduct a review of the employment market and employment rights and status, precisely because we recognised that the employment market is changing. He talks about the self-employed, so let us look at what we have done for the self-employed. Our increase in the personal allowance means that they now have access to the new state pension, worth over £1,800 a year. We have just heard from Matthew Taylor on the future of employment; consider the Government’s overall approach to employment status and rights to tax and entitlements; and bring forward further proposals, but we will not bring forward increases to national insurance contributions later in this Parliament.

Jeremy Corbyn: We have a Government U-turn, no apology, and a Budget that falls most heavily on those with the least broad shoulders, with cuts to schools, cuts to social care and cuts to support for people with disabilities. That is the agenda of the right hon. Lady’s Government, and everybody knows it.
The Prime Minister: I do not think the right hon. Gentleman has got the hang of this. He is supposed to ask me a question when he stands up—[Interruption.]

Mr Speaker: Order. Let us hear the answer.

The Prime Minister: The right hon. Gentleman talks about schools. What have we done? We have protected the core schools budget and introduced the pupil premium. This Budget delivers money for more than 100 new schools, ensuring good school places for every child. This Budget delivers on skills for young people; we want them to be equipped for the jobs of the future. The Budget delivers £500 million for technical education. We also recognise the pressure on social care. This Budget delivers £2 billion more funding for social care—funding that would not be available with Labour’s economic policies.

Jeremy Corbyn: It would be a very good idea if the Prime Minister listened to headteachers all over the country, who are desperately trying to work out how to balance the books in their schools, but are losing teachers, losing teaching assistants and losing support for their children because school budgets are being cut. She knows that. We all know that. Everybody out there knows that. They also know that, according to figures from the Institute for Fiscal Studies, average working families will be £1,400 worse off as a result of her Budget that was produced last week. What is she doing to help the worst off and poorest in our society, rather than continuing to cut local government and schools expenditure, and to underfund social care?

The Prime Minister: I will tell the right hon. Gentleman what we have delivered for the low paid. We have frozen VAT and fuel duty, and every basic rate taxpayer has had a tax cut worth £1,000. We have taken more than 3 million people out of paying income tax altogether. That is what we have done for the low paid. On schools, 1.8 million more children are now in good or outstanding schools. I want a good school place for every child. We have done it with free schools and academies, and with our changes to education—all opposed by the Labour party. Now it wants to oppose our giving every child a good school place. What do we know about the Labour party’s policies? Well, the former shadow Chancellor, the hon. Member for Nottingham East (Chris Leslie), said that Labour’s policies would mean doubling national insurance, doubling VAT and doubling council tax. That would not help the low paid or ordinary working families.

Jeremy Corbyn: The difference is that we want a good school and a good place for every child in every school in every community. Selective education—the reintroduction of grammar schools—does not achieve that. We want a staircase for all, not a ladder for the few, which is what Conservative policies actually are. The Prime Minister has also not addressed the unfairness of a Budget that cuts tax at the top end, continues to reduce corporation tax and encourages bogus self-employment. She has to address the issues of injustice and inequality in our society, and of a Government who are dedicated to widening the gap, not helping the hard-up or those who are working as self-employed, trying to make ends meet and not getting access to any benefits at the same time.

The Prime Minister: Inequality has gone down under this Government. The Budget shows that the top 1% of earners will actually contribute 27% in terms of the income that they are providing.

Let me address the issue of schools. The problem with what the right hon. Gentleman says is that the Labour party has opposed, and continues to oppose, every single education policy brought forward by this Government, delivering more good school places for children. The Labour party’s approach is that parents shall take what they are given, good or bad. We believe in listening to parents.

Let us look ahead to what the right hon. Gentleman’s policies would produce for this country: half a trillion pounds of borrowing—£500 billion more borrowing under the Labour party—more taxes, more spending and more borrowing. It would be a bankrupt Britain that would not give money for public services or help ordinary working families. It is the Conservative party that is helping ordinary working families. It is the Labour party that is failing to address the needs of the people of this country. We are delivering. He is just sitting there or going on protest marches.

Q3. [909258] Jeremy Quin (Horsham) (Con): As the facts change, I change my question. May I congratulate my right hon. Friend on proposing the most radical reform of technical education in a generation and delivering fair funding for all our schools? However, may I ask her, as part of the consultation, to ensure a minimum level of appropriate funding for all schools?

The Prime Minister: I thank my hon. Friend, because he has raised an important point. One of the issues we have addressed in the Budget is putting more money into skills training—into further education and technical education—for young people. I think that one of the most important things we can do is equip young people for their futures, and for the jobs of the future, so that they can get on in life. We are investing an extra half a billion pounds a year, as I said earlier, in England’s technical education system to do this.

My hon. Friend referred to the issue of a minimum funding level. My right hon. Friend the Education Secretary confirmed last month that the Department for Education has heard representations on this issue. It is considering these issues, but the funding formula is a complex issue that has needed addressing for some time, and we will be looking at it carefully.

Angus Robertson (Moray) (SNP): We once had a Prime Minister who said, “The lady’s not for turning.”

My goodness, is it not welcome that the Prime Minister has today admitted that she is for turning, with her screeching, embarrassing U-turn on national insurance contributions?

Only days remain until the Prime Minister is going to invoke article 50 on leaving the European Union. Last July, she promised to secure a UK-wide approach—an agreement between the devolved Administrations of Scotland, Wales and Northern Ireland and the UK Government—before triggering article 50, so when will the Prime Minister announce the details of the agreement?

The Prime Minister: As I said to the right hon. Gentleman yesterday, and to others asking me questions on the timetable yesterday, we will trigger article 50 by
the end of March. There will be an opportunity for further discussions with the devolved Administrations over that period. On the issue of membership of the European Union, and his view on Scotland not being a member of the United Kingdom, I say this to him: he is comparing membership of an organisation that we have been a member of for 40 years with our country. We have been one country for over 300 years; we have fought together, we have worked together, we have achieved together, and constitutional game-playing must not be allowed to break the deep bonds of our shared history and our future together.

Angus Robertson: The Prime Minister can wag her finger as much as she likes; last year, she made a promise: she promised an agreement. I asked her about it yesterday; she did not answer. I have asked her about it now; she has not answered. When will she reach an agreement—not discussions—with the Scottish Government before triggering article 50? She has another opportunity.

Mr Speaker: Order. I recognise the passions—

Angus Robertson: The Prime Minister promised an agreement; there is no agreement. When will there be an agreement? Does she not understand that if she does not secure an agreement before triggering article 50—if she is not prepared to negotiate on behalf of the Scottish Government and secure membership of the single European market—people in Scotland will have a referendum, and we will have our say?

The Prime Minister: We have been in discussions with the Scottish Government and with the other devolved Administrations about the interests that they have as we prepare, as the United Kingdom Government, to negotiate a deal on behalf of the whole of the United Kingdom—a deal that will be a good deal for not just England, Wales and Northern Ireland, but the people of Scotland as well. As we go forward in negotiating that deal, I think the right hon. Gentleman should remember this: Scotland will be leaving the European Union, either as a member of the United Kingdom or if it were independent, as it is very clear from the Barroso document that it would not be a member of the European Union. What we need now is, come together as a country, and ensure that we can get the best deal for the whole of the United Kingdom.

Q5. [099261] Mr Andrew Turner (Isle of Wight) (Con): This Government are working with local enterprise partnerships, councils and other partners to grow the economy, but despite being in the prosperous south-east, the Isle of Wight is 339th out of 379 in the UK competitiveness index. Will my right hon. Friend ensure that more growth funding is targeted at rural areas such as the island, with its many small and microbusinesses, to deliver a country that works for all?

The Prime Minister: My hon. Friend speaks well on behalf of his constituents, and he is right to do that. I know that he has consistently put forward the unique characteristics of the Isle of Wight. We have already been able to support the island’s economy through the local growth deal for the Solent—that is £185 million—and the Solent local enterprise partnership has been supporting the Isle of Wight rural small and medium-sized enterprise programme; my hon. Friend particularly referred to rural funding. I want to make sure that we make the best of the diverse strengths of all Britain’s cities, regions and islands. I am sure that on the island, the business community and the council will work together to create the best possible conditions for growth and competitiveness in the future.

Q2. [099257] Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Our two single markets are the backbone of our economy, yet the Prime Minister wants to rip us away from one, and the Scottish National party wants to break up the other. Is the risky and reckless approach she is taking to Brexit really a price worth paying to foster the break-up of Britain?

The Prime Minister: The hon. Gentleman is wrong when he says that I want to rip the United Kingdom away from the single market. What we want to do—[Interruption.] I am sorry to say to hon. Members on the Labour Benches that this is the same answer that I have given consistently in this House. We want to ensure that we get a good free trade agreement that gives us the maximum possible access to the single market, to enable us to trade with the single market and operate within the single market.

Q7. [099263] Mrs Theresa Villiers (Chipping Barnet) (Con): I welcome the support on business rates being given by the Budget to local high streets, which are so crucially valued in places such as my constituency of Barnet. Does the Prime Minister agree that we can give more help to small businesses if we secure the international agreement we need to ensure that all big businesses pay their taxes?

The Prime Minister: This is a very important issue, and one on which I think this Government have a record of which we can be proud, but of course there is more to do. Since 2010, through the work we have done on tackling tax evasion, avoidance and non-compliance, we have secured an additional £140 billion in compliance yield. Internationally, we have driven the global agenda. We have now got 100 countries signed up to the automatic exchange of financial account information, and we have pushed G7 and G20 partners to establish registers of beneficial ownership, but my right hon. Friend is right: there is more to do. We will continue to crack down on big companies not paying their tax. I want to see an economy that works for everyone, and that means that big companies should be paying their tax as well as everybody else.

Q4. [099259] Mike Weir (Angus) (SNP): In answer to my right hon. Friend the Member for Moray (Angus Robertson), the Prime Minister called for respect, but that is a two-way street. Where is her Government’s respect for the Scottish Government’s compromise proposal, which has just been ignored in these negotiations?

The Prime Minister: The compromise proposal has not been ignored; it has been discussed by Ministers with Ministers from the Scottish Government. There
are many areas within that proposal on which we agree, as I have said before, such as on ensuring our security from crime and terrorism, and maintaining and protecting workers’ rights.

**Q8.** [099264] **Will Quince** (Colchester) (Con): Colchester hospital’s A&E department has excellent staff, but suffers from poor layout and patient flow. Does the Prime Minister agree with me that the £100 million set out for triage in the Budget last week will enable hospitals such as mine to address this issue and improve patient outcomes?

**The Prime Minister:** My hon. Friend is right to recognise, and we should all recognise, the hard work and dedication of our excellent staff throughout the NHS. What we are seeing in the NHS is that A&Es are treating more people than ever before. We are spending half a trillion pounds on the NHS in England during this Parliament, and the NHS is going to see an increase in its funding of £10 billion in real terms, but there is sometimes an issue, as my hon. Friend says, about the configuration of A&E and enabling changes to take place to help the flow, and to help in dealing with potential patients as they come in. That is why my right hon. Friend the Chancellor announced last week £425 million in new capital investment in the NHS, which includes £100 million to help manage the demand on A&E services, enabling hospitals to make changes to ensure people are treated in the most appropriate way possible.

**Q6.** [099262] **Nick Thomas-Symonds** (Torfaen) (Lab): Over 200 staff at the Cwmbran pension centre in my constituency face an uncertain future, as they have been told they have to relocate to other areas over the next few years. Does the Prime Minister realise the impact this has on staff and the local economy, and will she meet me and representatives of the workforce to see what can be done to save Cwmbran pension centre?

**The Prime Minister:** I recognise the concern that the hon. Gentleman has raised for staff at that particular pension office in—

**Nick Thomas-Symonds:** Cwmbran.

**The Prime Minister:** Cwmbran. I recognise this is an issue. I am sure it is an issue that the Secretary of State for Work and Pensions will look at very closely, but of course the Government are looking to ensure both that we use our resources effectively, and provide the proper and appropriate service for the recipients of those particular benefits.

**Q10.** [099266] **Victoria Atkins** (Louth and Horncastle) (Con): Last weekend, thousands of people from across Lincolnshire came to the Revesby races in my constituency to enjoy the racing and the delicious local food, including award-winning Lincolnshire sausages. As the Government prepare to strike new international trade deals, will my right hon. Friend ensure that the high standards we expect of our food producers and farmers will be met and maintained in these deals, and will this Government continue to back British farming?

**The Prime Minister:** I can assure my hon. Friend that we will certainly do that. I remember, when I visited her prior to the general election in 2015, sampling some of the excellent Lincolnshire sausages that come from her constituency. We have an opportunity to build a new future for our food and farming industry when we leave the European Union. We will maintain the UK’s high standards of food safety and of animal welfare; that will be a priority for us. Any trade deals we enter into will need to be right for consumers, for businesses and for farmers, and will need to ensure our food safety and environmental protection, and of course the animal welfare standards I have just referred to. We recognise the need for certainty for businesses. We have already provided guarantees on support for farmers up to 2020, and I can assure her that we will continue to back British farmers.

**Q9.** [099263] **Callum McCaig** (Aberdeen South) (SNP): The UK has one of the worst performing currencies in the world, and it has a trade deficit of £133 billion and a national debt approaching £1.7 trillion. May I ask the Prime Minister: does she really believe that the UK could afford to be an independent country?

**The Prime Minister:** If he wants—

**Mr Speaker:** Order. The question will be heard. Hon. Members on the SNP Benches are very over-excited individuals. I want to hear the Prime Minister’s reply. Let us hear the reply.

**The Prime Minister:** If the hon. Member for Aberdeen South (Callum McCaig) wants to talk about figures in relation to the UK economy, it is the world’s sixth largest economy, and this Government have reduced the deficit by two thirds. If he would care to look at today’s employment figures he will see that employment is at a record high and unemployment has not been lower since 1975.

**Q11.** [099267] **Tim Loughton** (East Worthing and Shoreham) (Con): Today is the Ides of March—and, yet again, Brutus opposite missed badly—so will the Prime Minister take the opportunity to stick the knife into the ridiculous Court of Justice of the European Union, which ruled yesterday that employers can ban their staff from wearing signs of religious or political belief, and reiterate that reasonable freedom of expression should never be snuffed out by insidious political correctness?

**The Prime Minister:** We have, as my hon. Friend knows, a strong tradition in this country of freedom of expression. It is the right of all women to choose how they dress and we do not intend to legislate on this issue. He raised the broader issue of symbols, but this case came up particularly in relation to the wearing of the veil. There will be times when it is right to ask for a veil to be removed, such as at border security or, perhaps, in court. Individual institutions can make their own policies, but it is not for Government to tell women what they can and cannot wear. We want to continue to build a new future for our food and farming industry when we leave the European Union. We will maintain the UK’s high standards of food safety and animal welfare; that will be a priority for us. Any trade deals we enter into will need to be right for consumers, for businesses and for farmers, and will need to ensure our food safety and environmental protection, and of course the animal welfare standards I have just referred to. We recognise the need for certainty for businesses. We have already provided guarantees on support for farmers up to 2020, and I can assure her that we will continue to back British farmers.

**Q13.** [099269] **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): Our First Minister was elected with the largest vote in Scottish parliamentary history, on a manifesto that stated that the Scottish Parliament—

**Mr Speaker:** Order. The question will be heard.
Ms Ahmed-Sheikh: Thank you, Mr Speaker. I will start again. Our First Minister was elected with the largest vote in Scottish parliamentary history, on a manifesto that pledged that the Scottish Parliament should have the right to hold an independence referendum “if there is a significant and material change in the circumstances, such as Scotland being taken out of the EU against our will.”

My question to the Prime Minister is simple: does she agree that Governments should stick to their manifesto promises? If so, she cannot object to the First Minister sticking to hers.

The Prime Minister: I of course recognise that a vote took place for the Scottish Parliament, and that the First Minister was returned as the First Minister of a minority Government, but I refer the hon. Lady to two other votes that took place. In September 2014, the Scottish people were given the opportunity to vote on whether or not they wished to remain in the United Kingdom. They chose that Scotland should remain part of the United Kingdom. That was described by the right hon. Member for Gordon (Alex Salmond) as a “once in a generation” vote. The other vote to take note of was on 23 June last year, when the people of the United Kingdom voted to leave the European Union, and that is what we are going to do.

Q12. [909268] Geoffrey Clifton-Brown (The Cotswolds) (Con): With 80% of small and medium-sized enterprises reluctant to export, does my right hon. Friend agree that the prospect of Brexit gives those firms—particularly those from Scotland—a golden opportunity to use the great British entrepreneurial spirit to go out into the world and succeed?

The Prime Minister: My hon. Friend is absolutely right. Small businesses and entrepreneurs are essential to an economy that is working for everyone. The opportunity that comes from Brexit is to see those firms go out and export across the world, and to do those trade deals that will be of benefit to them, to their communities and to our economy. We want to encourage more businesses to go out there and export. That is exactly what my right hon. Friend the Secretary of State for International Trade is doing. This is an important part of building a stronger, fairer Britain for the future.

Q14. [909270] Hannah Bardell (Livingston) (SNP): Her Majesty’s Revenue and Customs employs more than 1,000 vital staff in my Livingston constituency. Despite widespread criticism from the National Audit Office and the Public Accounts Committee, and despite Livingston having the most engaged and productive staff, the Prime Minister’s Government are determined to move jobs from Livingston to Edinburgh. Staff do not want to move there and rental costs will be higher. To compound that, last week Ethicon announced that 400 jobs are set to go at its Livingston site. Will the Prime Minister therefore change her mind on HMRC jobs in Livingston, and meet me to ensure that public sector jobs that are vital to Livingston stay in Livingston?

The Prime Minister: HMRC is indeed relocating from 170 outdated offices to 13 large, modern regional centres. The new centres will be equipped with the digital infrastructure and facilities that are needed to build a more highly skilled and flexible workforce, to enable the modernisation of ways of working, make tax collection more efficient and effective, and bring significant improvements to HMRC’s customer services.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): The people of Sleaford and North Hykeham voted strongly in favour of Brexit, and I was very proud to be here in the House on Monday to vote in support of the European Union (Notification of Withdrawal) Bill. Will my right hon. Friend the Prime Minister confirm that she shares my commitment to a Brexit that works in the best interests of everyone in our country?

The Prime Minister: I have to say—[Interruption.]

Mr Speaker: Order. The hon. Member for Perth and North Perthshire (Pete Wishart) was shouting from beyond the Bar, which is very disorderly. On top of that, a few moments ago he was gesticulating in a most eccentric manner. I am becoming concerned about the hon. Gentleman, who must now calm himself.

The Prime Minister: Thank you, Mr Speaker. My hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson) is absolutely right. As she says, her constituency voted overwhelmingly to leave the European Union. The point is that the people of the United Kingdom voted by a majority to leave the European Union. As we do that, we will ensure that the deal we achieve in our negotiations is the right deal for the whole of the United Kingdom—for people in England, Scotland, Wales and Northern Ireland.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Prime Minister has just made a £2 billion Budget U-turn in the space of a week. Last year, the Government made a £4 billion U-turn in the space of five days. Is that why they want to abolish spring Budgets—because they just keep ripping them up?

The Prime Minister: I welcome the measures in the spring Budget to improve school places for children, and to ensure that we put money—[Interruption.]

Mr Speaker: Order. The hon. Member for Lichfield (Michael Fabricant) is another very eccentric fellow shouting very loudly. You must not shout down your own Prime Minister! Let us hear the Prime Minister.

The Prime Minister: Thank you, Mr Speaker. I welcome the measures in the spring Budget to ensure we put money into schools, skills and social care. I would have thought the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) would accept that putting money into schools, skills and social care is good for this country.

Rebecca Pow (Taunton Deane) (Con): Will the Prime Minister join me in welcoming the news today that Sergeant Blackman’s murder conviction has been downgraded to manslaughter, in part thanks to the release of previously unheard evidence? That is fantastic news for his wife Claire, who lives in my constituency, and who has campaigned so unstintingly. My hon. Friend the Member for South Dorset (Richard Drax), who I believe is returning from chambers, proved a very
worthy advocate in this case, and I commend his hard work. Does the Prime Minister agree that, within the correct legal framework, those who defend our peace and protect our world from evil should be treated with fairness and understanding and given the adequate resources, including mental health support, that they deserve?

The Prime Minister: Of course we respect the court’s decision. The Ministry of Defence will be looking very closely at the judgment. I assure the House that the Ministry of Defence has co-operated fully at each stage of Sergeant Blackman’s case. It will continue to provide support to the family, as it has done since the charges were first brought. I would just say, on the general point, that our Royal Marines have a worldwide reputation as one of the world’s elite fighting forces. They make an incredible contribution to our country and we should pay tribute to them all.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The Disasters Emergency Committee has launched its east Africa crisis appeal. In the context of that crisis, does the Prime Minister share my concern that President Trump is considering major cuts to spending by the US on aid? Will the Government take every opportunity to press the Americans to remain fully part of the global humanitarian system?

The Prime Minister: I assure the hon. Gentleman that we recognise the severity and urgency of the crisis taking place in east Africa. More than 20 million people face the risk of dying from starvation because of war and drought. Again, it is this country that is leading the way in delivering life-saving support. We have announced that we will match, pound for pound, the first £5 million donated by the public to the Disasters Emergency Committee’s new east Africa crisis appeal, to which he referred. I assure him that we take every opportunity to ensure that countries around the world recognise the importance of international aid, and of supporting countries when we see terrible disasters such as this famine coming into being. The UK’s record, and what we do, enable us to say to others that they should do more.

Henry Smith (Crawley) (Con): It is my honour to chair the all-party parliamentary group on blood cancer. Today we launched an inquiry into greater awareness of the condition and the patient experience. I seek assurances from my right hon. Friend that the additional £10 billion going into the NHS in this Parliament will in some way be spent on ensuring that we tackle this third-biggest cancer killer.

The Prime Minister: My hon. Friend is right to raise this subject. Many people have not heard much about this particular cancer, and are probably not much aware of it as an issue. I can assure him about what the NHS is doing. Over the last few years, we have seen a significant improvement in cancer survival rates. We have seen an increase in the number of people being referred on because of potential cancer cases, and an increase in the number of people being treated for cancer. This is a record on which we want to build.
Personal Independence Payments

12.42 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab) (Urgent Question): To ask the Secretary of State for Work and Pensions to make a statement regarding the recommendations of the Social Security Advisory Committee on the new Personal Independence Payment (Amendment) Regulations 2017, which are due to come into force tomorrow.

Damian Green (The Secretary of State for Work and Pensions): Recent legal judgments have interpreted the assessment criteria for personal independence payments in ways that are different from what was originally intended. The Department presented regulations, which clarify the original policy intent, to the Social Security Advisory Committee. I welcome the SSAC’s careful consideration and we are looking closely at its suggestions.

Let me be clear. The SSAC decided that it did not require the regulations to be formally referred to it and would therefore not consult publicly on them. I believe it was right to move quickly to clarify the criteria, and it is clear that the SSAC is not challenging that decision.

I want to make it clear again that this is not a policy change and nor is it intended to make new savings. This is about restoring the original intention of the benefit, which has been expanded by the legal judgments, and providing clarity and certainty for claimants. I reiterate my commitment that there will be no further welfare savings beyond those already legislated for. This will not result in any claimants seeing a reduction in the amount of PIP previously awarded by the Department for Work and Pensions.

Debbie Abrahams: You will recall, Mr Speaker, that on 23 February the Government issued these new regulations by which disabled people or people with a chronic mental health condition would be assessed for eligibility to personal independence payments. These regulations were laid down without any consultation with the Social Security Advisory Committee and without any debate.

As the Secretary of State said, the Committee examined this issue on 8 March and sent a letter with its recommendations to the Secretary of State, which was published yesterday. The Committee made a number of recommendations, including the need to consult more widely on the proposed changes and to test or pilot them before they come into force, so will the Secretary of State commit to implementing these recommendations in full before the regulations come into force?

Parliament has had no opportunity to debate the regulations fully, or to vote on them. When will it be able to do so? The Committee found that “it is possible that some claimants may have been awarded the mobility component or a higher rate of mobility component... following earlier decisions by the Upper Tribunal on this issue.”

That directly contradicts statements by the Prime Minister and the Minister for Disabled People, Health and Work that no one would see a reduction in their PIP award. Will the Secretary of State take this opportunity to correct the record? Will he guarantee that that will not be the case when claimants are reassessed?

The Government’s decision to change the law on PIP is a clear demonstration of the fact that people with mental health conditions are not given equal treatment. Does the Secretary of State agree with his Department’s new guidance, issued yesterday, which states that mobility impairments caused by psychological issues are “not relevant”? An analysis published today by Scope shows that 89% of PIP cases resulted in successful decisions for claimants following either mandatory reconsideration or appeal. Will the Secretary of State now review the flawed PIP process as a matter of urgency?

We have argued for some time in favour of parity of esteem for mental and physical health. The Prime Minister famously said that there needed to be more support for people with mental health conditions. Will not the Government finally honour that pledge?

Damian Green: Let me deal with the hon. Lady’s questions in turn.

We will of course respond to the letter from the Social Security Advisory Committee. Obviously, we take everything that it has said very seriously. We will also maintain the practice—in which the Government have always engaged—of continuous improvement in the PIP guidance. The assessment guidance is freely available, and can be viewed on gov.uk. We are constantly changing it, and the way to do that is to make parliamentary regulations, which is precisely what we are doing in this case. I am conscious that the hon. Lady has personally prayed against these regulations, which gives Parliament a chance to scrutinise them. That process will go through the normal channels, as it always does.

The hon. Lady asked a number of other detailed questions. I can only repeat what I have said before, and what has been said by my hon. Friend the Minister for Disabled People, Health and Work: no claimants will see a reduction in the amount of benefit that they were previously awarded by the DWP. The Committee says that a tribunal may have lifted the awards of some people, and it is indeed possible that that has happened. We will not claim back money that those people have received during the period before the new regulations come into force, and no one will receive less than they were awarded by the DWP. That is what I have said all along. As the hon. Lady knows, reassessment happens regularly in the case of PIP and other benefits.

Let me now respond to a very serious point made by the hon. Lady. I want to clear up the position and reassure people, because I think that millions would be put into a state of unnecessary distress if they thought that PIP was not fair to those with mental health conditions. The truth is that PIP is a much better benefit for people with such conditions than its predecessor, disability living allowance. Under the regulations, people with a cognitive impairment alone can receive the highest rate of the mobility component of PIP. It is simply not the case that people with mental health conditions will not be able to do so. If the hon. Lady reads the regulations, she will see why that has happened.

Even if the hon. Lady and other Opposition Members are not willing to accept what I have said, may I please ask them to go away and look at the facts? The facts are these: 65% of PIP recipients with a mental health condition received the enhanced-rate daily living component, whereas 22% used to receive it under DLA. As for the specific mobility aspect, to which the hon.
Lady referred. 27% of PIP recipients with a mental health condition receive the enhanced-rate mobility component, whereas 9% received it under DLA. It is perfectly clear from the facts that the regulations restore PIP to its original policy intent, and that that policy intent is better for people with mental health conditions than earlier benefits were.

Stephen Crabb (Preseli Pembrokeshire) (Con): Can my right hon. Friend name any other country that spends as much in direct cash payments for people living with as wide a range of physical, mental and psychological disabilities and illnesses as we do here in the UK? Is that not something we should be proud of?

Damian Green: We should indeed. My right hon. Friend previously did this job, and he and I share the passion to make sure that the benefit system is as fair as possible to those who deserve to receive these benefits. That is why we spend £50 billion a year on disability benefits and why PIP is an improvement on previous benefits, particularly for people with mental health conditions.

Corri Wilson (Ayr, Carrick and Cumnock) (SNP): The Government continually trot out the line that serious mental ill health should be treated in the same way as any other illness, but their response to these rulings betrays the old attitudes and stigmas towards mental illness. They cannot keep shifting the goalposts every time they lose a battle at court. If a person needs help, he or she needs help regardless of the nature of their disability or health condition.

The Scottish Parliament is in the process of taking over responsibility for personal independence payments, and until that time the UK Government need to be consistent and stop mucking people about. So many of the people becoming destitute in our communities, being sanctioned, falling through the safety net and becoming dependent on food banks are people with mental health problems. Why will the Government not acknowledge that? Will the Minister back away from this ill-judged move, or are they intent on bulldozing this through regardless of the opinions of this House?

Damian Green: I can only say to the hon. Lady that the premise on which she based that question—which is that those with mental health conditions, as opposed to physical disabilities, are in some way being treated unfairly—is simply and demonstrably wrong. I will not weary the House by quoting again the facts I am sure he will have some trenchant recommendations, and we will obviously look at them very carefully and use them as the basis for further improvement of this benefit.

Heidi Allen (South Cambridgeshire) (Con): While I agree that PIP is indeed a big improvement on DLA and that nobody stands to lose from this change, for me the court ruling has highlighted the fact that there are still flaws in the PIP process and that more can be done for mental health claimants; I know that as I have sat through two PIP assessments myself. Therefore, rather than just legislating to ignore this ruling, should we not use it as a catalyst to look at the whole PIP process from the beginning?

Damian Green: My hon. Friend, who obviously has great personal expertise in this area, is precisely right. There is a continuous dialogue between the Department and the charities. Sometimes we agree and sometimes we do not agree, but that dialogue is very important and I am determined to maintain it precisely so that when we make changes they are practical ones that make sure that the original good intent of the benefit is maintained.

Frank Field (Birkenhead) (Lab): Despite what the Secretary of State says about the current benefit favouring those who do not have physical disabilities, the evidence coming to the Select Committee which is inquiring into PIP shows that those with other disadvantages find it difficult to qualify. Might he look carefully at the form and at the way his staff interpret it for people who do not have physical disabilities and who have difficulties in qualifying?

Damian Green: The right hon. Gentleman knows that there is a review going on precisely to address the points he very reasonably makes. Clearly, there is a degree of complexity with any benefit and we will need to keep working on it. We are waiting for the review carried out by Paul Gray, chairman of the SSAC. Knowing Paul, I am sure he will have some trenchant recommendations, and we will obviously look at them very carefully and use them as the basis for further improvement of this benefit.

Ms Angela Eagle (Wallasey) (Lab): I have to say that I am finding an increasing discrepancy between the way that the Secretary of State is describing the PIP benefit and the people who are coming to my advice surgeries in tears, having been completely let down by the system. We all want to see a society where we give support to the most vulnerable, and that is who we are talking about here. Will the Secretary of State now undertake to ensure that some of his highest officials come and visit us in our advice surgeries and look at how this system is actually working out on the frontline, because it is not remotely like how he is portraying it today?
**Damian Green:** We all know from our own constituency surgeries that there are individual cases that might need to be taken up, sometimes simply because people disagree with a decision, or if there are delays. I am absolutely aware of that. [Interruption.] I point out to the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), who is characteristically chuntering from a sedentary position, that the appeal rate against PIP is extremely low, so actually the facts again do not suggest those kind of problems. But we are absolutely keen to improve this. That is why in the coming weeks we will be setting up service user panels precisely so that we get the real world, on-the-ground experience available to the Department that the hon. Lady wishes us to have.

**Sir Desmond Swayne** (New Forest West) (Con): It is odd to be asked to pilot something that merely restores the status quo ante—or have I misunderstood the committee's recommendation?

**Damian Green:** I appreciate my right hon. Friend’s concern. The committee makes a number of recommendations, and, as ever with the SSAC, I will take all of those recommendations very seriously and respond to them fully.

**Greg Mulholland** (Leeds North West) (LD): My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has tabled an early-day motion signed by 143 Members, including the Leader of the Opposition. Why are the Government so keen on ignoring this place and Parliament and on bulldozing this unpopular change through? Will the Secretary of State agree to a proper debate in this House on this unpopular measure?

**Damian Green:** Since, I think, this is the second time that we have discussed this issue in a week, it is hard to argue that Parliament is not having a say. We have followed the usual procedure: we have tabled a statutory instrument, which the hon. Gentleman and his party leader, the hon. Member for Westmorland and Lonsdale (Tim Farron), are free to pray against, and which then goes through the usual channels. This is a perfectly normal procedure.

**Richard Graham** (Gloucester) (Con): There appear to be two frequent misunderstandings about the legal judgments: first, that the Government amendment amounts to a cut, and, secondly, that people with mental health disabilities get less under PIP than under DLA. So will my right hon. Friend confirm again that actually there is no cut at all to people who previously had an award through PIP, and, secondly, that actually those with mental health disabilities get more under PIP than they did under DLA?

**Damian Green:** I am happy to reassure my hon. Friend that nobody who had an award from the Department for Work and Pensions will have that award reduced, and indeed that PIP is demonstrably a much better benefit than DLA for people with mental health conditions. Is there room for improvement? There is always room for improvement in life.

**Stephen Timms** (East Ham) (Lab): This is a cut and it directly targets people with mental health problems. The regulation, which is taking effect tomorrow, inserts into the qualifying conditions for PIP, in the section about planning and following a journey, the phrase “For reasons other than psychological distress”. Why is psychological distress being carved out in this way, and a cut made as a result?

**Damian Green:** I am afraid that the right hon. Gentleman is simply wrong in his premise. A person “with cognitive or sensory impairments who cannot, due to their impairment, work out where to go, follow directions or deal with unexpected changes in their journey” even when the journey is familiar, would score 12 points under descriptor F on mobility activity. I apologise for getting into the technical weeds here, Mr Speaker. Hence, that person would be entitled to the enhanced rate of the mobility component. That is the situation that pertains now, and that is why more people with mental health conditions are getting the higher rate of PIP—three times as many as did so under DLA—so it is simply not the case that this discriminates against people with mental health conditions.

**Dr Tania Mathias** (Twickenham) (Con): Will the Minister ensure that the mobility factor in PIP is maintained? It is important to all of us in the community. It is vital for all of us that our friends and family who have mental health problems, dementia or cognitive problems from strokes are out and about and visible in our community. Can he assure me that the descriptors and assessments are formulated according to need, and that no condition is ever excluded?

**Damian Green:** My hon. Friend’s last remark is precisely right, and I can give her the assurance that she seeks. PIP is about the effects on daily life or on mobility. It is not based on the underlying condition. That was the key change when PIP was introduced, and of course we are maintaining that.

**Kate Green** (Stretford and Urmston) (Lab): I want to understand exactly what the Secretary of State said a few moments ago when he said that nobody would face a cut in their benefit. Did I understand him correctly when he said that, while people would not see their initial DWP benefit award cut as a result of these regulations, they could see their benefit reduced to the original award level when the benefit has been increased by a tribunal and these regulations now supersede the judgement of that tribunal?

**Damian Green:** That is indeed what I said. We think that there may be a handful of people whose appeals have gone through the courts in this very small period, and that money will not be clawed back from them. That is what I said earlier on.

**Mr David Burrows** (Enfield, Southgate) (Con): Will the Secretary of State make it crystal clear that the Government’s original intention for PIP, as outlined in the Welfare Reform Act 2012, remains? It was stated: “The PIP assessment will look at disabled people as individuals and not just label them by their health condition or impairment.”—[Official Report, 26 November 2012; Vol. 554, c. 148W]

**Damian Green:** I am happy to confirm that to my hon. Friend. I think that he and I would agree that that was a significant step forward when it was introduced,
and I am determined that we maintain progress in that direction so that people who have a disability—whether a physical or mental impairment—can lead as full a life as possible.

Sammy Wilson (East Antrim) (DUP): I agree with the Minister that we need to have a discussion on this whole issue. However, these changes have been introduced without such a discussion, and the assessment has been made that 160,000 current claimants will be ruled out as a result of the changes. Does the Minister dispute that? Is he contesting his own Department’s assessment?

Damian Green: No. I think that the hon. Gentleman has slightly misunderstood the effect of the court case. I am not changing anything. I am just putting forward regulations that restore us to where we were in November. The court case said that the regulations were unclear and suggested changes that would indeed, conceivably, apply to very large numbers of people. So what we are doing with these regulations is simply returning to the position that was there before.

Kevin Foster (Torbay) (Con): It is appropriate to be discussing this on the day on which the Devon Partnership NHS Trust’s mental health services have been rated “good” by the Care Quality Commission. This marks some improvement. Given the erroneous comments that we keep on hearing about cuts, will the Secretary of State confirm that the constituents who are getting in touch with me who have had an award from the DWP will not see any reduction in what they are receiving?

Damian Green: I extend my congratulations to the Devon Partnership NHS Trust. I am glad to hear that mental health services are good in my hon. Friend’s part of the world and yes, absolutely, those who have had an award from the DWP will continue to get that award in the normal way.

Owen Smith (Pontypridd) (Lab): Further to the Secretary of State’s response to my hon. Friend the Member for Stretford and Urmston (Kate Green), will he confirm that he is saying that some people who have been awarded additional resources by a tribunal will see their income cut as a result of these regulations? Will he also confirm that an extraordinary number—89%—of the relatively low number of appeals relating to PIP are overturned? Does that not show that there is something deeply wrong with the system?

Damian Green: I think the problem that the hon. Gentleman identifies with the system as it is running at the moment is that a huge number of the very small number of people who go to appeal introduce new evidence during the appeal process. That is the main reason why the figures are as he says. It is clearly better all round—not least for the avoidance of delay for claimants—if we can get all the medical evidence in at the start of the process. That might well preclude the necessity of any kind of reassessment or appeal in the first place.

David Rutley (Macclesfield) (Con): I am grateful to my right hon. Friend for the clarification that he has provided today. What steps is he taking to meet and engage with charities and other stakeholders to clarify the impact of these regulations?

Damian Green: The Minister for Disabled People, Health and Work and I are in constant contact with charities and other groups concerned with this area, precisely because we want to improve the system in a systematic and coherent way so that we are not simply responding to individual cases in front of the courts. I am sure everyone would agree that that is a more sensible way to proceed in continuing the improvements we have seen under PIP.

Chris Stephens (Glasgow South West) (SNP): I asked the Secretary of State this question two weeks ago. If he is arguing that the purpose of PIP is to cover the extra costs that people incur because of a disability, why are those with mental health conditions being paid a lower rate than someone with a physical disability if they struggle to plan or follow a journey?

Damian Green: They are not. I can only repeat what I have said before, and if necessary, I will quote the facts again, or the detailed case that I gave to the right hon. Member for East Ham (Stephen Timms). I could go into the details, but I suspect that your patience would be tested by that, Mr Speaker. Do you want me to read the descriptors out again? [Interruption.] But seriously, the point is that it is perfectly possible to qualify for the standard rate or the enhanced rate purely with a mental health condition, so it is not the case that people with mental health conditions are discriminated against.

Mr Philip Hollobone (Kettering) (Con): You have just indicated, Mr Speaker, that your patience would not be tested were the Secretary of State to give a detailed example that might clarify the situation for the House. May I invite him so to do?

Damian Green: Let me read it out again. A person “with a cognitive impairment who cannot, due to their impairment, work out where to go, follow directions or deal with unexpected changes in their journey”, even when the journey is familiar, would score 12 points under descriptor F on mobility activity 1, which covers planning and following journeys, and hence be entitled to the enhanced rate of the mobility component. Examples of such conditions could include dementia or a learning disability such as Down’s syndrome. I hope that that reassures you, Mr Speaker, and the whole House.

Derek Twigg (Halton) (Lab): I want to press the Secretary of State on the question of assessments. Will he look again at the quality and professionalism involved? I just cannot understand why some of the people who come to see me have not been awarded their benefit. I have had experience of cases such as these over a number of years now, and I have never come across such difficult cases as those I have seen recently.

Damian Green: I am happy to reassure the hon. Gentleman that I am already doing that. As I said in answer to a previous question, the chairman of the SSAC is doing one of his regular reports on PIP as a whole, and that will focus very much on the quality of assessments. I take the hon. Gentleman’s point, and we are all concerned to ensure that the assessments are not only of high quality but consistent across the country. That is an important improvement that I want to see in the system.
Andrew Stephenson (Pendle) (Con): Will the Secretary of State confirm that this Government are investing more in benefits for disabled people and more in mental health than ever before?

Damian Green: I can confirm that, and I have already quoted the specific figure for disability benefits. We now spend £11.4 billion on mental health services every year, and we will be spending more on disability benefits in every year of this Parliament than was spent in 2010.

Ms Margaret Ritchie (South Down) (SDLP): In the view of the mental health charity Mind, the new regulations and guidance contradict the stated aims of the primary legislation. What information has been transferred to the Department for Communities in Northern Ireland, where parity applies, regarding the new guidance? Will the Secretary of State ensure that the regulations are taken off the table to allow a full debate in Parliament and to ensure that nobody with a mental health impairment is financially penalised in any way?

Damian Green: I can only repeat that the regulations, which are being returned to their original state, do not discriminate against people with mental conditions. If anyone observing these proceedings is unnecessarily worried by that assertion, I regret that. I am happy to assure the hon. Lady that the Minister for Disabled People, Health and Work has made direct contact to ensure that information is flowing properly.

Ian C. Lucas (Wrexham) (Lab): The only clarity and certainty that PIP is bringing to my constituents is real distress every day. At 12.14 pm today, I received an email that said:

“I would be grateful if you would contact PIP and address my complaint about taking PIP off me. I do fear that this has caused me to consider taking my own life”.

Complaints of that type come in to our constituency surgeries on a daily basis. The system is broken. It needs to be completely revisited and reconstructed. It cannot be mended.

Damian Green: I do not agree with the hon. Gentleman. Any benefits system will obviously have difficult individual cases, and decisions have to be made, but to say that the whole system is broken is going much too far. I can only point out that just 3% of all PIP claims are overturned on appeal, which suggests that the benefit is largely working for the vast majority of people who receive it, but there will always be individual cases where people disagree with the assessment.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is clear from the Social Security Advisory Committee’s letter to the Minister for Disabled People, Health and Work that there is some confusion outside the Department about the policy intent and the psychological distress of planning and following a journey. We need much greater communication from the Department, so when we can expect an updated version of the PIP assessment guide?

Damian Green: As I am sure the hon. Lady knows, we redo the assessment guide on a regular basis, and the next changes will be available in the next couple of months. It is freely available on the internet for hon. Members to view. It is not some secret guide that goes out to assessors from the Department; all the guidance is public.

Liz McInnes (Heywood and Middleton) (Lab): Only last week, I was contacted by a constituent who has been refused PIP despite having previously been in receipt of DLA. She managed to get to her assessment only because her daughter took her and supported her through it. However, the physiotherapist who did the assessment said that her mental health issues were insignificant because she had managed to attend and to communicate with him. Does the Secretary of State agree that for the process to be fair, the person doing the assessment should, as a bare minimum, be qualified in the appropriate medical specialty?

Damian Green: It is obviously impossible to generalise from one case, but if the hon. Lady wants me to look at that case, I will be happy to do so. We are determined to maintain the highest levels of professionalism among the healthcare professionals who do the assessments.

Neil Gray (Airdrie and Shotts) (SNP): The transition from DLA to PIP has been incredibly distressing, and the new assessment criteria and the number of Motability cars that have been returned only to be reissued on appeal are just two examples of why. Now there is this rushed, unscrutinised decision. Given the repeated questions from Members on the Opposition Benches about constituency cases, is the Secretary of State concerned about the erosion of our constituents’ trust in the system?

Damian Green: No, because I do not believe that to be the case. Of the many people who receive PIP, vast numbers find it satisfactory and a better benefit than DLA. Specifically on mental health conditions, far more people receive PIP than received DLA, so I just do not accept the hon. Gentleman’s basic analysis of the situation.

Clive Efford (Eltham) (Lab): Will the Secretary of State guarantee that no PIP assessors are required to turn down a quota of their assessments? I find it impossible to understand some of the decisions they make. There can be an arm’s length of medical evidence in front of them, but they turn some people down, particularly those with mental health issues. If he does not know the answer, will he go away and investigate the situation? Something is wrong. So many examples have been given to him that he cannot dismiss them as the odd case.

Damian Green: I absolutely assure the hon. Gentleman that no pass or fail quota is given to any assessor.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I refer the House to my entry in the Register of Members’ Financial Interests. As chair of the all-party parliamentary group for disability, people from across the UK continually contact me to say that the process contains little assessment of psychological problems and does not seek information from mental health practitioners. The Secretary of State must be aware that a cognitive impairment is just not the same as a mental health problem. In fact, neither dementia nor a learning disability, the examples he gave, is a
Damian Green: I can give other examples that do include mental health issues, but I understand the hon. Lady’s point that there are obviously different forms of condition. Cognitive impairment is not necessarily the same as a mental health impairment, which covers a much wider and, in many cases, different range of conditions. However, all of them are covered fairly by PIP, so the contention from Opposition Members that the benefit is somehow bad at source is wrong. I can see that when I look at the number of people receiving it, particularly those with mental health conditions, who have not received any benefit in the past. I hope that the House will acknowledge that fact.

Michael Fabricant (Lichfield) (Con): I have been listening to these exchanges, and I am trying to judge to what extent there is controversy over PIP. There clearly is controversy in this Chamber, and I do from time to time get letters from constituents regarding PIP. However, will my right hon. Friend indicate what percentage of total claims are disputed?

Damian Green: As I have just said, 3% of all claims are overturned on appeal. Now 3% represents many cases, and as I have said various times today, I am always looking to improve the situation and ensure that assessments are better and more consistent. However, having only 3% overturned does not give rise to the picture painted by many Opposition Members that the system is in some way broken.

Julie Cooper (Burnley) (Lab): Does the Minister accept that many people with mental health issues who apply for PIP are so distressed by the whole process that they never even go to appeal when they are turned down? Also, far from spending more on this, we are actually repeating what I have said before, but ensuring that support they need?

Damian Green: I am not entirely clear about the hon. Lady’s last point. I am unsure whether she wants a target percentage of GDP for particular benefits, which seems a slightly odd way to run the welfare state. On her first point, I do not want to weary the House by repeating what I have said before, but ensuring that people with mental health conditions have proper access to benefits is and always has been extremely difficult. We are spending so much money across Government—£11.4 billion this year—on mental health conditions precisely to remove some of the barriers preventing people from claiming benefits to which they are entitled.

Alan Brown (Kilmarnock and Loudoun) (SNP): Earlier, the Secretary of State blithely said that there would be further updates and guidance in a couple of months. A couple of months is not good enough. What is he doing now to make sure that assessors have the correct information to properly assess claimants and provide them with the support they need?

Damian Green: Assessors work from the PIP assessment guide, which is available for scrutiny by Members and the public. Assessors are given that guidance in the most transparent and public way possible.

Lilian Greenwood (Nottingham South) (Lab): The Royal College of Psychiatrists, charities including Rethink Mental Illness and Scope, the Select Committee on Work and Pensions and many of our constituents all tell us that the Government are failing properly to support all disabled people who need help. Now the Social Security Advisory Committee has said that the Government should not proceed with the changes without further testing and consultation. What does it take to get the Secretary of State to listen?

Damian Green: I do not agree with the hon. Lady’s characterisation of what the SSAC said. The SSAC has the power to consult if it wants to recommend that we should not proceed, and it has specifically decided not to do that kind of consultation. Her characterisation of what the SSAC has said is off beam.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Thousands of disabled people who rely on the Motability scheme have had their car removed by this Government. In November 2016 the Minister for Disabled People, Health and Work said that the Government were looking at allowing PIP claimants to keep their car pending appeal, and possibly at widening access to the scheme. Three weeks ago the Prime Minister was unable to answer my question and update the House on the progress of that review, and she promised to write an as-yet undelivered letter to me. Can the Secretary of State update the House today?

Damian Green: Not with any detail. We are conducting a review, and when that review is finished I will update the House.

Mary Glindon (North Tyneside) (Lab) rose—

Chris Bryant (Rhondda) (Lab) rose—

Mr Speaker: I call Mrs Mary Glindon.

Mary Glindon: Further to a previous question, Muscular Dystrophy UK has said today that figures show that 900 mobility vehicles a week are being removed from people due to the PIP reforms but that many of the vehicles are subsequently returned on appeal. Will the Government ensure that a mobility vehicle cannot be taken away from any individual until there is a final decision on their eligibility for the enhanced rate?

Damian Green: We constantly work closely with Motability and, as I said in answer to the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), we are currently reviewing the whole scheme, so I beg the House’s patience while we conduct that review.

Chris Bryant: Thank you very much for spotting me, Mr Speaker. The Secretary of State seems to think—he has said it several times now—that just because we prayed against the statutory instrument, we are bound to have a one-and-a-half hour debate and a vote. That is completely untrue. The only person who can guarantee a debate and a vote is the Secretary of State. I promise not to tell anyone else, but if he could stand up now and be completely unambiguous in telling us that we will have a debate and a vote in this Chamber, we would be very grateful.

Damian Green: In his long and distinguished career, the hon. Gentleman has been shadow Leader of the House, so he knows perfectly well that such things are a matter for the usual channels. It is therefore somewhat above my pay grade.
Visible Religious Symbols: European Court Ruling

1.24 pm

Mrs Maria Miller (Basingstoke) (Con) (Urgent Question): To ask the Parliamentary Under-Secretary of State for Women and Equalities if she will make a statement on the recent Court of Justice of the European Union ruling allowing employers to ban workers from wearing religious dress and symbols in the workplace.

The Parliamentary Under-Secretary of State for Women and Equalities (Caroline Dinenage): I thank my right hon. Friend for raising this important issue and for giving the Government an opportunity to inform and, I hope, reassure the House about the two Court of Justice of the European Union judgments issued yesterday. The Government are completely opposed to discrimination, including on grounds of gender or religion, or both. It is the right of all women to choose how they dress, and we do not believe that the judgments change that. Exactly the same legal protections apply today as applied before the rulings.

In both the Achbita case and the Bougnaoui case, the judgment was that there was no direct discrimination, but that there was some discrimination. A rule is directly discriminatory if it treats someone less favourably because of their sex, race, religion or whatever. A rule is indirectly discriminatory if, on the face of it, it treats everyone the same, but some people, because of their race, religion, sex and so on, find it harder to comply than others do. Indirect discrimination may be justifiable if an employer is acting in a proportionate manner to achieve a legitimate aim.

The judgments confirm the existing long-standing position of EU and domestic law that an employer’s dress code, where it applies to and is applied in the same way to all employees, may be justifiable if the employer can show legitimate and proportionate grounds for it. Various cases show that such an employer needs to be prepared to justify those grounds in front of a court or tribunal if need be. That will remain the case and that is the case with these judgments, which will now revert to the domestic courts.

I am aware of some concern that the judgments potentially conflict with the judgments of the European Court of Human Rights, particularly in the case of Nadia Eweida, the British Airways stewardess banned from wearing a small crucifix but whose case the ECHR upheld. We do not believe that the judgments change that. Like any judgment of the CJEU, for the time being, Achbita and Bougnaoui need to be taken into account by domestic courts and tribunals as they consider future cases. The law is clear and remains unchanged. However, because of our absolute commitment to ensuring that discrimination and prejudice are never encouraged or sanctioned, we will keep the issue under very close review.

Mrs Miller: In this country, we have a long tradition of respecting religious freedom and, frankly, many people will listen in disbelief to the Court’s ruling that a corporate multinational such as G4S risks having its corporate neutrality undermined by a receptionist in Belgium wearing a headscarf. At what point did the law decide that expressing religious belief through a cross, a turban or a headscarf is a threat to organisational neutrality? Here in the House of Commons, our staff pride themselves on their neutrality, but will such organisations be forced to consider this new ruling? If not, in what circumstances could an organisation legitimately require such neutrality from its workers? Surely there are serious potential implications for those who deliver public services.

One group is specifically affected—Muslim women, who already experience twice the unemployment rate of the general population. The Government need to monitor the situation carefully to ensure that employers do not use the ruling to effectively exclude thousands of Muslim women from the workplace.

We are leaving the EU soon, but the ruling will potentially continue to influence the way in which the Equality Act is interpreted by the courts. Parliamentarians need clarity, workers need clarity and employers need clarity, and we want to ensure that this ruling does not have damaging consequences for freedom of religious belief in our country.

Caroline Dinenage: My right hon. Friend is right to raise this case. As I said, the UK has some of the strongest equality legislation in the world and our laws give people robust protection from religious discrimination in the workplace. It is and remains unlawful to directly discriminate against someone because of their religion or to create spurious rules that would prevent them from wearing religious clothing or jewellery. Employers can enforce a dress code, but it must be for proportionate and legitimate reasons, and must apply equally to all employees. If an employer wants to have a neutral dress code with no religious symbols being worn, it must apply equally to all employees and all religions.

Dress codes are a matter for individual employers and will depend on the particular type of work involved, the environment and the safety considerations, above all. The CJEU has found that these cases would constitute indirect discrimination and has referred them back to the national courts to consider whether, based on the specifics, they would be unlawful. The UK’s legal position has not changed. The EHRC has already published guidance for employers on religion and belief in the workplace, and we will work with it to update that guidance to take account of these rulings and to carefully explain how they should be interpreted in UK workplaces.

But I must reiterate that this Government are absolutely committed to supporting people into work whatever their background, making Britain a country that works for everyone and not just the privileged few.
**Sarah Champion** (Rotherham) (Lab): I thank the right hon. Member for Basingstoke (Mrs Miller) for raising this important issue. The ruling is not as clear-cut as press articles would have us believe, but it does raise real concerns about religious freedom in the workplace, including for Muslim women who choose to wear the hijab. When making their ruling, the judges relied on the concept of workplace policies that require neutrality. Neutrality has specific cultural significance in Belgium and other European countries, based on their particular meaning of secularism, which does not resonate in Britain. Does the Minister agree that this concept of neutrality is illogical, as a customer, patient or service user could not make a valid assumption as to the religious persuasion of a company, or perceive that a company is particularly favouring one religious group or another, by virtue of how its employees dress?

Women and men must be allowed to choose their expression of faith. Simply put, this judgment is not consistent with the British liberal and human rights tradition. Of real concern are the implications that this may now have for faith communities. Already, the far right across Europe is rallying on the judgment. I thank the Minister for making a clear statement today that people can express their faith, in a professional manner, in the workplace, but can she confirm that this Government believe that preventing women from wearing the hijab, as exampled in this case, is simply and unconditionally wrong?

What is the Government’s position on the concept of a dress code for staff that requires neutrality in the workplace? I am pleased that the Minister has confirmed that she will be working with the EHRC on updating the guidance to employers on this ruling. Will she confirm that it will reinforce the rights of employees in the UK to express their religious freedom?

G4S holds a number of Government contracts. Has the Minister reinforced with G4S, the employer in this situation, its employees’ rights to wear clothing necessary for their religious practice in the UK?

**Caroline Dinenage:** It would be helpful if I were to talk a little about the background to this, in order to aid our wider understanding. We are dealing with two cases here. The first, Achbita, was about whether a dress code banning the outward expression of personal belief was directly or indirectly discriminatory against a female Muslim who was sacked for wearing a headscarf. The second, Bougnaoui, concerned the same point, but it also raised the issue of whether a customer’s request not to be served by an employee wearing a headscarf can be a genuine occupational requirement. The ruling confirmed the current position under EU and domestic discrimination law: that a dress code that applies and is applied in the same way to all employees does not constitute direct discrimination but may constitute indirect discrimination. However, importantly, an employer’s willingness to take account of a customer’s wishes about staff wearing religious dress does not constitute a genuine occupational requirement. It is very important to point that out.

As I have stated, employers can enforce a dress code, but it must be proportionate and legitimate, and must apply equally to all employees. If an employer wants a neutral dress code with no religious or political symbols being worn, that must equally apply to all employees and religions. However, it remains unlawful to directly discriminate against someone because of their religion and to create any kind of spurious rules that will prevent the wearing of religious clothing or jewellery. The Government take this very seriously. Hate crime of any form will not be tolerated. The Government will not stand by and let that happen. We are very clear about where we stand on this. People will be protected in their workplace and, as I said, we will be reinforcing the guidance on religion and belief in the workplace which the EHRC has published. We will be making sure that employers are well aware of their responsibilities in that way.

**Sir Eric Pickles** (Brentwood and Ongar) (Con): I am very pleased to hear that the Government are going to issue new guidelines. I hope that they will reflect British values, which demand that Muslim women should be able to wear the hijab, that Sikhs should be able to wear the turban, that Jewish people should be able to wear a kippah and that Christians can wear a cross. If we remove that basic right, the nature of British values changes. Any company that wants to be neutral and to deny its employees the ability to express their religion takes away from those employees and is fundamentally not British.

**Caroline Dinenage:** My right hon. Friend is absolutely right; the Government believe, and I believe, that people need to be able to feel strong in their religious identities, and we are ensuring that the voices of people of faith can be heard up and down this country. As now, any dress code or dress ban that an employer imposes must be for legitimate and proportionate reasons, and the employer must be prepared to defend it before a court or tribunal if necessary. Ultimately, those dress codes are for individual employers to decide on, but we are clear that any form of discrimination on the grounds of religion or faith will not be tolerated and is unlawful.

**Neil Gray** (Airdrie and Shotts) (SNP): This is an incredibly sensitive issue which will cause concern across these isles. It is clear that right-wing leaders across Europe have already attempted to misrepresent the ruling for their own ends, so I hope that we will see clear leadership from the UK Government to counter that rhetoric and ensure that it does not take hold here.

What the Minister has already said and what the Prime Minister said earlier is a good start. We should be absolutely clear that women and men should be free to choose what they wear, and we certainly should not be discriminatory on the basis of religion. The Court of Justice judgment ruled that uniformity is key in any workplace policy on religious or political neutrality, and that this cannot be applied on an ad hoc basis. However, there are concerns about the potential for this to be hijacked by some for the purpose of anti-Muslim or similarly intolerant sentiment. If Police Scotland can decide to include the hijab as part of its uniform, what action will the UK Government take to ensure that discrimination against individuals of any religion will not be tolerated in the workplace?

**Caroline Dinenage:** The Prime Minister was very clear that what a woman wears is her choice and no one else’s. Obviously, there is a clear difference in the following respect: it would be ridiculous to presume that, if someone wanted to wear loose clothing or dangling jewellery...
when working in or around machinery, it was sensible to allow them to do so in contravention of any health and safety considerations. But in normal day-to-day jobs it would seem to be very ill-advised to prevent people from wearing the items of clothing that reflect their religious faith or belief.

On what the hon. Gentleman says about the far-right response, let me say that we have one of the strongest legislative frameworks in the world to protect communities from hostility, violence and bigotry. We keep these policies under review all the time, as we want to ensure that they remain effective and appropriate in the face of any kind of new and emerging threats. He must be assured that those who perpetrate hate crimes of any kind will be punished with the full force of the law.

Michael Fabricant (Lichfield) (Con): I am heartened by the Minister’s robust response to this. My experience in France has been that the attitude there towards the wearing of the hijab has exacerbated problems between different sections of the community. Just the other day, I saw a Sikh police officer wearing a turban, which just demonstrates our tolerant attitude in this country. So I commend the Minister and ask—as I must do to keep in order—that she maintains this position.

Caroline Dinenage: Multiculturalism and the multiplicity of different faiths and religions in this country is one of our great strengths. We should recognise that many people follow their faith and that some people follow none, but we want a society that treats people equally and with respect, whatever their faith happens to be, or if they have none.

Rushanara Ali (Bethnal Green and Bow) (Lab): The Minister will appreciate how distressing the ruling is, not only for British Muslim women who choose to wear the hijab but for many other faith communities. She will be aware that G4S, the British company involved, has form. It presided over a shambolic temporary jobs arrangement during the Olympics, when the British Army had to be brought in. First, will G4S’s Government contracts be reviewed, because what it has done is unacceptable and un-British? Secondly, once the Government have worked with the EHRC to reform the guidance, will the Minister report to Parliament to reassure us that, as Members on both sides of the House have stated, British values, which are distinct from the ruling, are upheld, and that the right of women to wear what they wish to wear in the workplace, within reason and with reasonable accommodation, is upheld?

Caroline Dinenage: The hon. Lady is absolutely right to point out that women should be respected; indeed, all workers and their religious individuality should be respected. Employers have a right to enforce a dress code, but she is right to point out that certain employers interpret that right differently from others. We certainly take religious tolerance, and tolerance more generally, into consideration when considering Government contracts. This situation is a shame, because we are very tolerant in this country and we are making massive progress. Some 45% more Muslim women were in work in 2015 than in 2011. We know that there is much more to do to ensure that no one is left behind, but we are committed to supporting people in their workplace, whatever their background, which is why it is so important that this issue was brought to the House today.

Mr David Burrows (Enfield, Southgate) (Con): Will the Minister confirm that in this country a member of an airline’s cabin staff or a receptionist has the right to express their faith freely by wearing a cross or a headscarf, and that that cannot be suppressed by any so-called neutral dress code?

Caroline Dinenage: Yes, my hon. Friend is absolutely right that people are entitled to express their religious thoughts or beliefs in what they wear. It becomes an issue only if there is some kind of health and safety aspect. As I have said before, companies are entitled to enforce their own dress code, but it is very clear that that dress code must apply equally to all employees, whatever their faith, religion or gender, and the Government are keen to promote that.

Lady Hermon (North Down) (Ind): I am very troubled by the judgments. If the provisions of the CJEU’s judgments are held to be directly effective, they can be relied on by employers in the UK without further ado. In my estimation, that would be deplorable. Will the Minister confirm that the Government are keeping open the option of legislating—and, indeed, the option of introducing emergency legislation—to make sure that the United Kingdom’s very fine laws on discrimination, which uphold one’s right to manifest one’s views and religion, are not undermined by the CJEU? The assurance that the Government will turn to legislation, should the need arise, would be very helpful.

Caroline Dinenage: It is important to point out that the CJEU judgement is advice that goes back to the nations that brought forward the cases. Each country has the right to enforce the judgment in the way it sees fit. I am confident that the UK has some of the strongest equalities legislation in the world, including the Equality Act 2010, which enshrines equality in domestic law. Nevertheless, we will always keep that under review to ensure that people continue to be protected in the best possible way.

Several hon. Members rose—

Mr Speaker: Mr Lefroy, what has happened? The feller was standing earlier. The House wants to hear him.

Jeremy Lefroy (Stafford) (Con): Mr Speaker, I apologise: my hon. Friend the Member for Enfield, Southgate (Mr Burrows) asked the question I was going to ask, and I did not want to detain the House any longer.

Mr Speaker: Extraordinary self-effacement; the hon. Gentleman is setting a very dangerous precedent.

Dr Matthew Offord (Hendon) (Con): Although the judgment applies to men and women, does the Minister agree that it sends an appalling message, particularly to Muslim women in places such as my constituency? Will she reassure me that she will take tangible action to reassure specific faith communities that the United Kingdom certainly will not go down this route?
Caroline Dinenage: Yes, that is really important, and my hon. Friend is absolutely right to point it out. The Government are working so hard to tackle the barriers faced by different black and minority ethnic groups. We are engaging Muslim communities through a number of faith and integration projects; we are developing a new English language offer that will be targeted at Muslim women but available to other groups; and we are trialling new and innovative ways for Jobcentre Plus to engage with and tailor their services to BME communities. I hate to think that all the good work we are doing to build trust and faith in communities would ever be undermined.

Mr Chuka Umunna (Streatham) (Lab): I do not like this word “tolerate.” In this country, we do not tolerate people; we respect and embrace all cultures. Despite that, we know that Islamophobia is not only widespread but rampant. As a solicitor, for the best part of a decade I advised employees and employers on employment law. My worry is that those who read the reports on the CJEU decision will see it as a green light to engage in further discrimination in the workplace. What specifically will the Government do to ensure that employers do not take from the judgments the idea that they can carry on discriminating, particularly against Muslim women, who are more likely to be discriminated against in the workplace than many other groups?

Caroline Dinenage: As I have already made clear, we are working closely with the Equality and Human Rights Commission to update guidance for employers on dealing with religion or belief in the workplace. Nevertheless, we will continue to revise the guidance so that it takes account of the judgment. We want to be absolutely clear to all concerned that the Equality Act remains unchanged, as do the rights of women and religious employees, which we will continue to protect.

David T. C. Davies (Monmouth) (Con): I am sure I am not alone in seeing a big difference between a headscarf, crucifix or turban, and the burqa or niqab. How will the judgment affect the two police forces of which I am aware that currently state they are willing to discriminate on religious grounds, particularly against Muslim women, who are more likely to be discriminated against in the workplace than many other groups?

Caroline Dinenage: The Government wholeheartedly support the invaluable work being done by people throughout the country who are inspired by that faith. If it is safe for them to continue to wear their religious garments while doing their job, we very much feel they should be encouraged to do so.

Shabana Mahmood (Birmingham, Ladywood) (Lab): This ruling sends an appalling message to faith communities in our countries, and many visibly religious people at work today will feel more scrutinised and more insecure as a result. The ruling also creates a lower threshold for religious freedom than we enjoy under UK legislation. Many thousands of people in my constituency are affected; they need a clear and continuing signal from the Government that they will support our national legal settlement. I am grateful for what the Minister has already said on that, but how will she and the Government monitor the ruling’s impact on employees currently in the workplace? What steps will she take to prevent any further marginalisation of visibly religious people in the workplace?

Caroline Dinenage: The hon. Lady is absolutely right to raise that issue. The Government believe that people need to be able to feel strong in their religious identities. We have to continue to ensure that the voices of people of faith are heard in Government. We should recognise that people are completely free to follow their faith. We want a society that treats people equally and with respect, so we will always keep this matter under review and take the necessary action if and when it becomes apparent that we need to.

Mr Philip Hollobone (Kettering) (Con): This is a complicated issue, but my constituents in Kettering would view it as yet another inappropriate judgment from a European court, telling us what to do when we have not sought its advice in the first place. Will the Minister clarify what power the ECJ will have over this country once we have left the European Union?

Caroline Dinenage: We know we are leaving the European Union. We are committed to a successful withdrawal and to forming a new relationship with Europe, and at that stage the court will have no power. We will preserve all the rights that employees currently enjoy and ensure that the robust protections that European legislation affords them are enshrined in domestic law.

Sarah Olney (Richmond Park) (LD): The Minister talks about neutral dress codes applying to both genders, but does she accept that even if a no-headscarves rule applies to both genders it effectively discriminates against only women, and that a no-turbans rule effectively discriminates against only men? Is not something more robust required?

Caroline Dinenage: It is absolutely clear that a no-headscarves rule or a no-turbans rule would be illegal, as it would constitute direct discrimination. The only form of discrimination that is allowed is a blanket ban on any form of religious clothing or symbols, under the legislation referred to in yesterday’s court case.

Andrew Stephenson (Pendle) (Con): Many of my constituents feel that the ban clearly targets Muslim women who wish to wear the hijab. Given the improving but still below-average employment rate among Muslim women, does the Minister not feel that the ruling sends out completely the wrong message as we try to build a country that works for everyone?

Caroline Dinenage: It does send out an unhelpful message, particularly as this Government take really seriously discrimination in any form. We will renew our efforts to ensure that no one is held back by any outdated attitudes or practices.

Yasmin Qureshi (Bolton South East) (Lab): A person’s ability to do 99.9% of jobs, including that of security guard, is not affected by whether they wear a skull cap, headscarf, turban, cross, mangalsutra or tilaka. Can the ECJ judgment be reviewed, or does the democratic process to prevent confusion among employers about its having any bearing on this country? As G4S receives public funding and is discriminating against people, can its contract be reviewed?
Caroline Dinenage: Domestic equality legislation is very clear. Employers do not need to change any legitimate policies on dress code in the workplace, but it is vital that employers and employees understand what the law allows them to do, and that is what this is about. We do not want any employers mistakenly thinking that this ruling gives them any authority to sack public-facing staff who wear headscarves or any other religious symbols. Those protections are already clear in domestic law, and we will always make sure that they are most strongly enforced.

David Rutley (Macclesfield) (Con): At a time when many Members of this House—both across parties and in the Government—are working to promote the principles of freedom of religion or belief internationally, does my hon. Friend agree that it is vital that we work hard to protect long-standing religious freedoms here at home?

Caroline Dinenage: Yes, my hon. Friend is absolutely right. We have one of the strongest legislative frameworks in the world to protect communities from hostility, violence and bigotry. We continue to promote that on the world stage, as it is fundamental to everything this country stands for—tolerance and the embracing of other cultures as we make them part of our national identity.

Stephen Timms (East Ham) (Lab): This is a worrying judgment for all people of faith. Has the Minister seen the Church of England this morning described the judgment as “troubling”? Will she confirm that she understands why the Church of England has taken that view, and that it is right to do so?

Caroline Dinenage: The right hon. Gentleman is right to bring that up, because the judgment applies to religious symbols, whatever the faith of the individual who happens to be wearing them. The ruling will be equally troubling for the Church of England, for people of Muslim faith, for people of whatever faith and indeed for people of none.

Wes Streeting (Ilford North) (Lab): Sophia Dar, a Muslim woman in my constituency, was attacked in broad daylight on Oxford Street, one of the busiest shopping streets in the world, let alone London, by a man who forcibly tried to remove her hijab from her head. Do not these judgments reinforce a sense that other people have the right to tell people of faith what they can and cannot wear and how they choose to practise or not practise their faith? In addition to the very welcome guidelines to which the Minister has committed today, will she look at what we can do to enforce existing laws that protect people from religious discrimination so that the attacker of my constituent is brought to very heavy justice?

Caroline Dinenage: I am very sorry to hear about the hon. Gentleman’s constituent. That sounds like a very distressing thing to happen. Those who perpetrate hate crimes of any kind will be punished with the full force of the law. We are committed to tackling hate crime and have produced a new hate crime action plan that focuses on reducing hate crime, increasing reporting and increasing support for victims.

Dr Rupa Huq (Ealing Central and Acton) (Lab): We have all heard about headscarves being ripped from girls’ heads by people emboldened by the referendum result—admittedly, that was an unintended consequence of the result. I am encouraged by the Minister’s words. Will she do all she can to ensure that this illiberal judgment, which has nothing to do with workplace performance, does not have its own unwelcome by-product? Apparently, Muslim women are 70% more likely to be unemployed than non-Muslim women. The judgment could be a recruiting sergeant for Islamic extremist groups. Will she have a word with colleagues about proposed cuts to provision for English for Speakers of other languages?

Caroline Dinenage: The hon. Lady is right: hate crime, whatever form it takes, should never be tolerated. It should be punished with the full force of the law, and the Government take that very seriously.

Carol Monaghan (Glasgow North West) (SNP): I am heartened to hear the Minister’s comments and her very clear guidelines, but I am still concerned that this ruling may allow intolerant employers to ban symbols such as the hijab or even a cross on the forehead. How are the Government planning to monitor employers, and how will they make it possible for employees to report problems without fear of repercussions?

Caroline Dinenage: That is an important question. We are very clear that employers do not need to change legitimate policies on dress codes in the workplace, but it is vital that employers and employees understand what the law allows. Employers cannot act unscrupulously in some mistaken interpretation of the law, and employees must not feel that they cannot report any incidents of this kind.

Helen Goodman (Bishop Auckland) (Lab): When I was married, as part of the service my husband gave me a ring. We all know that that is culturally loaded. Wedding rings are allowed, but headscarves on young Muslim women are a problem. I ask the Minister for the fifth time—unlike the hon. Member for Stafford (Jeremy Lefroy)—what she will do about G4S.

Caroline Dinenage: Ironically, my husband did the same—I have a ring, too. The hon. Lady makes a valid point, and it is one that we keep under consideration. This is not a domestic issue and it has not happened with G4S in the UK, but we take it very seriously and will keep it in mind when making any decisions.

Kate Green (Stretford and Urmston) (Lab): I welcome the tone of the exchanges in the House and I know that they will be very well received by the many Muslim and Sikh constituents whom I have the honour to represent. I also welcome what the Minister said about new guidance to be produced by the Equality and Human Rights Commission. May I ask her to ensure that the EHRC has the resources necessary to carry out its enforcement function, about which, as she knows, there are significant concerns?

Caroline Dinenage: Let me be clear: this is existing EHRC guidance, but we will work with the commission to make sure that in the light of the most recent judgment it is updated and entirely fit for purpose. I am confident
that the EHRC has sufficient funds to do its job efficiently. The hon. Lady might be interested to know that even after some recent changes in its workforce, the commission still has four times more staff than we have in the Government Equalities Office.

Rob Marris (Wolverhampton South West) (Lab): I am the chair of the all-party parliamentary group for British Sikhs. I thank you, Mr Speaker, for again this year hosting the Vaisakhi celebration, on 18 April in Speaker's Rooms. I welcome the Minister's statement today, but will Her Majesty’s Government make representations to the Governments of France and Belgium, which overtly have state-sponsored discrimination against Sikhs, including British Sikhs who move to France or Belgium?

Caroline Dinenage: That is a matter for my colleagues in the Foreign and Commonwealth Office, but we will have that conversation with them. We take discrimination seriously and will continue to ensure that no one is held back by any outdated attitude or practice.

Lady Hermon (North Down) (Ind): On a point of order, Mr Speaker.

Mr Speaker: We tend to come to points of order after statements. We can hear from the hon. Lady at that point.

Lady Hermon: It pertains to this statement.

Mr Speaker: The spirit of generosity gets the better of me. If the hon. Lady is extremely brief, we will hear her point of order.

Lady Hermon: I am enormously grateful to you, Mr Speaker. This is a very important point. The great repeal Bill will incorporate all existing EU law at the moment of Brexit. It will therefore incorporate the two judgments of the European Court of Justice that we have just discussed. Will you seek confirmation from the Prime Minister and her Government, if possible, that the two judgments will not be allowed to remain part of our domestic law one moment past Brexit?

Mr Speaker: I am extremely grateful to the hon. Lady, but I fear she invests me with a power that I do not possess. It is not for me to ask the Government to take a position one way or the other. All I would say is that I have no reason to dissent from her interpretation of the legal and, in a sense, parliamentary position. However, the whole point of that upcoming Bill to be introduced by the Government is that it imports from Europe into our law a body of material with the option then to preserve, to amend or to repeal, case by case, as the Government propose and ultimately the House decides. On the basis of the hon. Lady’s expression of interest in this important matter, I feel certain that, when any such matter comes up for consideration, she will leap from her seat to acquaint the House with her views, and we all look forward to that.

Class 4 National Insurance Contributions

2.2 pm

The Chancellor of the Exchequer (Mr Philip Hammond): With permission, Mr Speaker, I wish to make a statement on national insurance contributions paid by the self-employed.

As I set out in the Budget last Wednesday, the gap between benefits available to the self-employed and those in employment has closed significantly over the last few years. Most notably, the introduction of the new state pension in April 2016 is worth an additional £1,800 to a self-employed person for each year of retirement. It remains our judgment, as I said last week, that the current differences in benefit entitlement no longer justify the scale of difference in the level of total national insurance contributions paid in respect of employees and the self-employed.

Right hon. and hon. Members will be aware that there has been a sharp increase in self-employment over the last few years. Our analysis suggests that a significant part of that increase is driven by differences in tax treatment. Her Majesty’s Revenue and Customs estimates that the cost to the public finances of this trend is around £5 billion this year alone, and the Office for Budget Responsibility estimates that the parallel increase in incorporation will cost more than £9 billion a year by the end of the Parliament. That represents a significant risk to the tax base, and thus to the funding of our vital public services.

The measures I announced in the Budget sought to reflect more fairly the differences in entitlement in the contributions made by the self-employed. The Government continue to believe that addressing this unfairness is the right approach. However, since the Budget, parliamentary colleagues and others have questioned whether the proposed increase in class 4 contributions is compatible with the tax lock commitments made in our 2015 manifesto.

Ahead of last year’s autumn statement, the Prime Minister and I decided that however difficult the fiscal challenges we face, the tax lock and spending ring fence commitments we have made for this Parliament should be honoured in full. I made that clear in my autumn statement to this House. As far as national insurance contributions are concerned, the locks were legislated for in the National Insurance Contributions (Rate Ceilings) Act 2015. When the Bill was introduced, it was made clear by Ministers that the lock would apply only to class 1 contributions. The measures I set out in the Budget fall within the constraints set out by the tax lock legislation and the spending ring fences. However, it is clear from discussions with colleagues over the last few days that this legislative test of the manifesto commitment does not meet a wider understanding of the spirit of that commitment.

It is very important both to me and to my right hon. Friend the Prime Minister that we comply with not just the letter but the spirit of the commitments that were made. Therefore, as I set out in my letter this morning to the Chair of the Select Committee on the Treasury, my right hon. Friend the Member for Chichester (Mr Tyrie), I have decided not to proceed with the class 4 NICs measures set out in the Budget. There will be no increases in NIC rates in this Parliament.
For the avoidance of doubt, and as I set out in the Budget, we will go ahead with the abolition of class 2 national insurance contributions from April 2018. Class 2 is an outdated and regressive tax, and it remains right that it should go. I will set out in the autumn Budget further measures to fund, in full, today’s decision.

I undertook in the Budget speech to consult over the summer on options to address the principal outstanding area of difference in benefit entitlement between the employed and the self-employed: parental benefits. We will go ahead with that review, but we now intend to widen the exercise to look at the other areas of difference in treatment, alongside the Government’s consideration of the forthcoming report by Matthew Taylor, chief executive of the RSA, on the implications for employment rights of different ways of working in a rapidly changing economy. Once we have completed these pieces of work, the Government will set out how we intend to take forward and fund reforms in this area.

Reducing the unfairness of the difference in the tax treatment of those who are employed and those who are self-employed remains the right thing to do, but this Government set great store in the faith and trust of the British people, especially as we embark on the process of negotiating our exit from the European Union. By making this change today, we are listening to colleagues and demonstrating our determination to fulfil both the letter and the spirit of our manifesto tax commitments. I commend this statement to the House.

2.8 pm

John McDonnell (Hayes and Harlington) (Lab): This is chaos. It is shocking and humiliating that the Chancellor has been forced to come here to reverse a key Budget decision announced less than a week ago. If the Chancellor had spent less time writing stale jokes for his speech and the Prime Minister less time guffawing like a feeding seal on the Treasury Bench, we would not have been landed in this mess.

Let us be clear: this was a £2 billion tax hike for many low and middle earners, and a clearcut and cynical breaking of a manifesto promise. Sickeningly, at the same time as the Chancellor was cutting taxes for the rich and corporations, large numbers of self-employed people have been put through the mangle over the past week, worried about how they would cope with this tax increase, yet today there is not a word of apology. Nobody should be too arrogant to use the word “sorry” when they blunder so disastrously.

Let me thank all those who helped to force this reversal. My right hon. Friend the Prime Minister said in Question Time, I am rather reluctant to take lessons from the right hon. Gentleman on anything except, perhaps, chaos theory; he certainly knows something about that. He talks about being forced to make a decision. We have listened to our colleagues and the voices of public opinion. In my view, that is how Parliament should work. We listen to what our colleagues say and make our decisions based on that. As I said to the House a few moments ago, we remain clear that the issue needs to be addressed. We have recognised that there is a legitimate view that the commitments that were made need to be interpreted widely; we have said that we will interpret them in that way and not go ahead with any national insurance contributions increases in this Parliament.

The right hon. Gentleman mentioned the leader of the Labour party, who, apart from in his performance today at Prime Minister’s questions, has scarcely mentioned class 4 national insurance contributions; he scarcely did so in his response to the Budget. I do not know whether the right hon. Member for Hayes and Harlington (John McDonnell) is even aware of this, but the Labour party actually has a self-employment commission, which it established last November. At the time it was established, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), the shadow Secretary of State for Work and Pensions, acknowledged the need to address the discrepancies in access to entitlements and the contributions that pay for them. Despite the understandable tone of the right hon. Member for Hayes and Harlington, I hope that he agrees that, on the substantive underlying issues, there is a significant degree of agreement across the House that there is a discrepancy and a threat to the tax base that will have to be addressed over time.

The right hon. Gentleman talks about additional benefits for the self-employed. Of course we will review the issues around parental benefits, as I said in the Budget—we will actually take the review wider than that—but I hope that he agrees that if additional benefits are to be made available, we will have to look at how to pay for them, and it will not be done by borrowing half a trillion pounds that the country cannot afford and our children will be left paying for.
Mr Andrew Tyrie (Chichester) (Con): This announcement bolsters trust in the Government’s other commitments, and removes the perception of a cigarette paper between Nos. 10 and No. 11, so it is doubly welcome. Does the Chancellor agree that a differential should, none the less, remain in the long run to reflect the additional risk taken by the self-employed when they are doing their job?

Mr Hammond: In the Budget speech last week, I made it very clear that we were seeking to close the gap a little. We were not seeking to equalise the contributions treatment of the employed and self-employed, as there are very good reasons why there may well need to be a gap. That is why we will look at this in the round—contributions, entitlements and the way the whole package works for the self-employed. Let us come back to this once we have completed the review, have the Matthew Taylor work and can look at the problem in the round.

Stewart Hosie (Dundee East) (SNP): I said last week that this decision would come back to haunt the Chancellor, and it has, but little did I expect that when it did, No. 10 and No. 11 would be briefing against each other. It is almost as if the halcyon days of Gordon Brown and Tony Blair never really went away. However, I welcome the U-turn today, not least because about 140,000 Scottish self-employed would have been affected by the proposal, and many of them would have earned slightly below, on or only slightly more than the average wage. I am delighted that the Scottish National party went in to bat for the squeezed middle against this Chancellor.

Today’s U-turn has all the characteristics of the pasty tax, the caravan tax and the omnishambles Budget. The Chancellor said that he would fill the gap in the autumn, and I will listen carefully to what he says then, but will he give us an assurance today that he will not simply find another clever way of dipping into the pockets of modestly paid self-employed people? More importantly, if he changes the tax or national insurance regime for self-employed people in the future, will he have proper consultation in advance with their representatives, so that they are not hit with the uncertainty that they have faced over the past week?

Mr Hammond: On the last point, we will, of course, consult people widely over the course of the summer as we carry out the review. The hon. Gentleman will know that it is intrinsic in the Budget process that it is difficult to have any kind of proper consultation when preparing a Budget. He asked about measures in the autumn Budget. I said that all spending measures in the spring Budget would be fully funded by revenue raises or reductions in spending elsewhere in that Budget, so that it was broadly fiscally neutral. As a result of the decision I have announced today, the spring Budget is no longer broadly fiscally neutral, but I am committed to addressing that issue in the autumn. The intention remains to balance the measures that we are delivering between spending and taxation.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I thank the Chancellor for listening to the voices of colleagues and deciding to reverse the proposals. The genuinely self-employed carry real financial risk by working for themselves. I know that a Conservative Government really want a tax system that will support risk-takers and growth-creators, so will the Chancellor commit to working over the coming months with colleagues who believe it is time to take a holistic and simplifying view on personal taxation for the self-employed that will support wholeheartedly those who build new businesses and take a risk?

Mr Hammond: Yes, I can assure my hon. Friend that this Government will always be on the side of those who genuinely strive to take risks, to innovate, to grow businesses and to contribute in that way to the economy. However, the right hon. Member for Hayes and Harlington, in his response to the statement, addressed the issue of bogus self-employment, and he is right: there is a problem of bogus self-employment. There is a problem of employers who are refusing to employ people, requiring them to be “self-employed”. There is a problem of individuals being advised by high street accountants that they can save tax by restructuring the way they work. We do believe that people should have choices, and we do believe that there should be a diversity of ways of working in the economy—we just do not believe that that should be driven by unfair tax advantages.

Several hon. Members rose—

Mr Speaker: Order. I remind the House that colleagues who arrived in the Chamber after the start of the statement should not stand or expect to be called. That is a very long-standing convention of the House.

Chris Leslie (Nottingham East) (Lab/Co-op): This is obviously an acutely embarrassing episode for the Chancellor, but will he not acknowledge that it is also quite embarrassing for those of his colleagues, including the Prime Minister, whom he sent out there to defend this breaking of the manifesto commitment? Has he already apologised to the Prime Minister and to his colleagues, or will he take this opportunity to say sorry to them from the Dispatch Box?

Mr Hammond: I find it a bit extraordinary that that should be the hon. Gentleman’s intervention. He, after all, is the one who said that Labour would fund its £500 billion plans by doubling income tax, doubling national insurance, doubling council tax and doubling VAT. He is the one who sounded the alarm on the Opposition side.

Look, I have had extensive conversations with colleagues since the Budget, over the weekend, and in the Lobby last night and on Monday. I have had lots of discussions with the Prime Minister over the last few days, as the hon. Gentleman would expect. As he would also expect, I am not about to give the House the full detail of those private conversations.

Nicky Morgan (Loughborough) (Con): I commend my right hon. Friend for his statement today and for recognising what colleagues and others have been saying to him. I also commend him for recognising that the employment market in this country is changing: there are more people who are self-employed, and that needs to be addressed. Does he not think it is right that it is the Conservative party that is asking those questions about how we balance our books, rather than the Labour party, which has no clue whatever about how to pay off the deficit or pay off our debt?
Mr Hammond: I am grateful to my right hon. Friend. We have, absolutely, recognised the view of colleagues on the crucial issue of the manifesto commitment. However, on the substantive issue of the differences in treatment of people who are employed and people who are self-employed, there is a fundamental structural challenge that will have to be addressed, and that includes the question of how we extend appropriate benefits to people who are in self-employment, so that they get the full range of entitlements, as well as contributing in an appropriate way. We are clear that the right thing to do now is to rule out any increases in national insurance contributions during this Parliament, but that does not mean that we should not do the work, carry out this review and present our findings in due course, and we will do so.

Ms Angela Eagle (Wallasey) (Lab): Of 28 measures in this Budget, the Chancellor has had to come in a humiliating fashion to the House today to cast away the one that actually raised money. He has just told us that £14 billion of tax revenue is at risk because of the way national insurance is encouraging people to become, apparently, self-employed, and encouraging other abuses. He has told us he is not going to deal with that in this Parliament, so what is he going to do to safeguard the tax base in the meantime, while he does his review and belatedly puts into effect the manifesto commitment on which he fought the last election?

Mr Hammond: I have to say that that was an extraordinary contribution, because the hon. Lady cannot have it both ways or, to put it another way, have her cake and eat it. She wants me to adopt a broad interpretation of manifesto commitments and to adhere to it, and she wants me to protect the revenue base by addressing the difference in contribution treatment between the employed and the self-employed. I say to her, as I have just said to my right hon. Friend the Member for Loughborough (Nicky Morgan), that we will have to address that difference in due course. However, given the interpretation that is clearly out there of the manifesto commitment that was made, our priority now is to show that we will deliver on the spirit as well as the letter of that commitment, and we will not increase national insurance contributions in this Parliament.

Sir Oliver Letwin (West Dorset) (Con): I am sure my right hon. Friend is right to deal with this issue in the round, but I hope he will not allow that in any way to deflect him from the very sensible Budget judgment he made in respect of fiscal neutrality or from the need for the structural reforms he is putting forward. Did he notice, as I did, that the shadow Chancellor asked him to fill the gap without reducing spending or increasing taxes? Does he know how that could be fulfilled?

Mr Hammond: The straight answer to my right hon. Friend is that only in the la la land that the Labour party occupies is that trick possible. Of course, my right hon. Friend is right to draw attention to the issue, and I emphasise again my commitment in this Budget to fiscal neutrality—the right hon. Member for Hayes and Harlington, of course, does not believe in fiscal neutrality.

John McDonnell: Oh, dear me. You just, in a week, reversed a decision—

Mr Hammond: The right hon. Gentleman says, “Dear me”. I repeat: he does not—[Interruption.]—tell anybody to do anything. I am asking people not to do things that they should not do: shouting across the Box. I now exhort the Chancellor to continue with his response.

Mr Hammond: Thank you, Mr Speaker.

The right hon. Gentleman does not believe in fiscal neutrality—that is a fact. He believes in borrowing £500 billion of additional money, and saddling our children and our grandchildren with that debt. However, I very much take my right hon. Friend’s advice on maintaining fiscal neutrality and dealing with the structural issue that underlies this statement.

Frank Field (Birkenhead) (Lab): To make up the loss in revenue, might the Chancellor consider bearing down on those employers who force their employees into self-employment against their wishes, destabilise their lives and thereby get out of paying national insurance contributions, which all good employers do pay?

Mr Hammond: The right hon. Gentleman is right. As I have said, there is, as the economy changes shape, an increasing tendency for employers, in effect to drive people out of employment and into what is thinly disguised self-employment. That is one of the issues that Matthew Taylor is looking at in his review. I have had the opportunity to have a preliminary meeting with him. We are very much looking forward to receiving his report in due course, and we will respond to it.

Jake Berry (Rossendale and Darwen) (Con): I declare my interest as a self-employed solicitor. I commend the Chancellor for coming to the House today and putting forward his views about changes in self-employment. Will he join me in commending the literally thousands of people across Rossendale and Darwen who go out, start businesses, make money and are self-employed? When they voted in the last general election, they knew that a Conservative Government would not only protect their tax rates, but create the economic environment in which they could start and grow their business.

Mr Hammond: My hon. Friend is absolutely right: it is about the environment being conducive to people starting and running small businesses. I congratulate those in Rossendale who do that—who get up every morning and who are prepared to take those risks. They will now benefit from the abolition of class 2 national insurance contributions, making them that little bit better off.

Rachel Reeves (Leeds West) (Lab): Will the Chancellor confirm when the decision to make this U-turn was made? Is not the truth that this was the Prime Minister’s decision, not his?

Mr Hammond: Clearly, that is the story the hon. Lady would like to believe, but, unfortunately, it is not true. As Members would expect, I have been discussing
the Budget and these issues with the Prime Minister since last Wednesday, just as I have discussed them with many colleagues over the weekend, and we have had several meetings over the last few days. The final decision to make this announcement to the House was made this morning—just after 8 o’clock—and I have come here at the earliest reasonable opportunity to inform the House.

Mrs Anne Main (St Albans) (Con): There are 7,000 self-employed individuals in St Albans, representing 16% of the economically active. I thank the Chancellor for listening to the representations that I made in my letter to him. Those people will welcome the three-year end-of-Parliament commitment that he has made on this matter, which gives certainty. He is absolutely right to look at this issue. He is a very honourable man in coming here and honouring our manifesto today, and he should ignore the criticisms from the Opposition.

Mr Hammond: I am grateful to my hon. Friend. I have to say that I generally find it much more fruitful listening to the advice and thoughts of my hon. Friends than to the comments from the Opposition.

Alex Salmond (Gordon) (SNP): We all noted that the Chancellor brought along the First Lord of the Treasury today for support, solidarity, counselling and hand-holding as he made his abject statement. Who first realised that the Government were in flagrant breach of their manifesto commitment—was it the Chancellor or the Prime Minister? If manifestos are now paramount and all parties must seek to implement them, will the Chancellor confirm, since he intends to go ahead with these changes, that they will appear in the Conservative manifesto at the next election so that the self-employed can vote accordingly?

Mr Hammond: I have made a statement today about the Government’s intentions: no national insurance contribution rate increases for the remainder of this Parliament. I am not making a statement about the Conservative party’s manifesto for the next general election: the right hon. Gentleman will have to contain himself for a while on that particular issue. On the question of who first raised the issue of the manifesto, I think, to give credit where credit is due, that it was Laura Kuenssberg on the BBC shortly after my comments in the Budget speech.

Dr Matthew Offord (Hendon) (Con): I commend the Chancellor for coming to the House today. He is entirely correct to assert that the National Insurance Contributions (Rate Ceilings) Act 2015 applied only to class 1 contributions. Once again, I thank him for coming here, (Rate Ceilings) Act 2015 applied only to class 1 contributions. Again, I thank him for coming here. [Interruption.] Well, the hon. Lady might want to check Hansard.

Helen Goodman (Bishop Auckland) (Lab): I know that the Chancellor of the Exchequer will want an endorsement from me like a hole in the head, but I am rather disappointed because there is a lot wrong with national insurance. In the wider review, will he also look at the absurd way in which it kicks in at £8,000, well below the personal tax allowance, and at the very unfair top 2% rate?

Mr Hammond: I am grateful to the hon. Lady. Lady for her comments. It is important to separate the two issues involved: the substantive underlying issue about the way in which national insurance contributions and entitlement to contributory benefit work, and the equally important but separate issue of the way in which manifesto commitments work. The review that we will conduct will look specifically at the differences between the self-employed and the employed, and the access of the self-employed to contributory benefits, so her suggestion is beyond the scope of that particular piece of work. However, as she especially will be aware, all these things are routinely reviewed by the Treasury in the run-up to fiscal events.

Mr Jacob Rees-Mogg (North East Somerset) (Con): May I thank my right hon. Friend for his wisdom in being open to changing his mind, which shows the serious-mindedness of Her Majesty’s Government; and for his propriety in telling this House first and doing it himself, not sending someone else on his behalf? May I also commend him for his singular achievement of converting a number of desiccated socialists to support for lower taxation?

Mr Hammond: I am grateful to my hon. Friend, but what I see on the Opposition Benches these days is very often not so much desiccated socialists as dedicated opportunists.

Greg Mulholland (Leeds North West) (LD): This Budget was disappointing and unambitious, and is now mired in this chaos. Is it not now time to properly consider having an NHS tax specific to funding our NHS, which did not receive enough funding? As the Chancellor knows, this has the support of the majority of the British public.

Mr Hammond: What we need to fund our NHS is a strong economy and a Government who have the political will to make the commitment that we have made to a £10 billion post-inflation increase in NHS spending. It is very nice to have a contribution from the Liberal Democrat Benches. I do not know whether that is a precursor of the Liberal Democrat manifesto for the next general election—we shall wait to see.

Anna Soubry (Broxtowe) (Con): I commend the Chancellor for his statement. As somebody who was self-employed for many years, I know that the current
system undoubtedly needs reform, in terms of contributions and benefits, so I look forward to Matthew Taylor’s report. Given that so many of the self-employed are sole traders and micro business owners, may I urge the Chancellor to look at the great work that Angela Knight has done on how the whole system could be improved? I am very happy to have a meeting with one of his junior Ministers, if he cannot have any such meeting himself, to discuss that further.

Mr Hammond: Angela Knight is the chairman of the Office of Tax Simplification, and we will of course seek its advice in this matter. I am grateful to my right hon. Friend.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): May I just confirm the slightly astonishing thing that the Chancellor said a few moments ago—that the first person to raise the Tory manifesto with him was the BBC’s Laura Kuenssberg? Is it actually the case that nobody in No. 10 and nobody in No. 11 checked the Conservative manifesto before he wrote the Budget?

Mr Hammond: I did say that, but let me be clear: I think that Laura Kuenssberg was the first person after I spoke to raise the issue outside. The Government have always been clear, as I said on Wednesday evening and on Thursday, many times, and the Prime Minister said on Thursday evening, that we have always regarded the legislated tax locks as being the commitment we were working to. Our whole approach in the Treasury—all the work we do—is based around the tax locks that are in place. I accept, however, that there is a gap between the specific tax locks that were legislated and the wording that was used in the manifesto. We have today accepted that the more expansive interpretation should be the one that prevails, and that is why I have made the statement that I have.

Neil Carmichael (Stroud) (Con): I certainly welcome this statement because it underlines very strongly the case for fairness and also salutes the important work that self-employed people do. Does the Chancellor of the Exchequer agree that if we enter a period of turbulence for whatever reason, it is fundamentally necessary to have a strong fiscal basis, and that is what he is achieving through acting in this way?

Mr Hammond: As I said in the Budget speech and previously in the autumn statement, we are seeking to do three things: to keep Britain on track for balancing the budget as early as possible in the next Parliament through fiscal discipline; to invest in Britain’s future to raise our productivity and ensure a decent standard of living for everybody across this country, on which we made further steps in this Budget by investing in skills; and to ensure that we have enough fiscal headroom in our fiscal position to allow for any events that arise over the coming years. We need the ability to manoeuvre as we go through what will be a period of unusual uncertainty in the planning of our economy.

Wes Streeting (Ilford North) (Lab): More than 10,000 people in Ilford North will welcome the Chancellor’s damascene conversion to the novel idea that parties might keep the promises in their manifesto. What does it say about the competence of this Government, on a day when they reveal that there are no costings for a hard Brexit, that this year, on his watch, we will have two Budgets, two policies on national insurance in a week, and a £2 billion black hole in his Budget? Whatever happened to the long-term economic plan?

Mr Hammond: I have set out our long-term plan. The hon. Gentleman knows the fiscal figures, because they were published last week. As I have said, I do not resin at all from the commitment that I have made that we will, overall, be broadly fiscally neutral. I will introduce additional measures—[Interruption.] Well, it would not be appropriate for me to do so today, but I will bring forward additional measures in the autumn Budget to address the cost of the changes that I have announced today. By the way, if I could just give him a piece of advice, before he goes in too hard on keeping manifesto promises, he might just want to check his own party’s record in government on that particular score.

Steve Double (St Austell and Newquay) (Con): On behalf of the 9,000 self-employed people in St Austell and Newquay, may I thank the Chancellor for his statement today and for being willing to listen to the sensible voices of Conservative Members and the business community in making this change? Will he confirm that there is absolutely nothing wrong in someone legitimately choosing to be self-employed and in charge of their own work destiny, and that this party will always be on the side of the entrepreneurs, who are the heart of our economy?

Mr Hammond: Yes. I can say to the self-employed of St Austell and, indeed, more widely across the UK that this Government will always support enterprise and those who start and grow businesses. As I said in the Budget speech, we believe that people should have choices about the way they work. There are very many good reasons for choosing self-employment, and there are many good reasons for choosing to incorporate. It is incumbent on us to make sure that unfair tax benefits are not one of the things that drive people to make such decisions.

Sammy Wilson (East Antrim) (DUP): The 130,000 self-employed people in Northern Ireland, who make up a seventh of the workforce, will welcome this change of heart by the Government. Does the Chancellor recognise, however, that the imposition of quarterly tax returns, which has been delayed for one year, and the closing of the flat-rate VAT system will also have an impact on self-employed people? Instead of targeting those who are genuinely self-employed and who have contributed to today’s low unemployment figures, should he not concentrate his efforts on the large corporations, such as the BBC, that abuse the tax system and have self-employment contracts to avoid paying tax?

Mr Hammond: As the hon. Gentleman will know, this Government have introduced a raft of measures over the years to target the avoidance of tax by large corporations, and we have raised a very substantial amount of additional tax—well over £100 billion—through those measures. The VAT flat rate scheme, which he mentioned, was introduced to assist the smallest businesses,
but it had been turned into a systematic route for abuse, and I am afraid that we had to deal with it to make sure that the tax base was not eroded. However, we will always seek to support the genuinely self-employed hard-working people who are the backbone of this country’s economy.

Michelle Donelan (Chippenham) (Con): On behalf of all the hard-working self-employed people in Wiltshire, I thank the Chancellor for his announcement today and welcome it. The introduction of a new state pension marks a significant increase in retirement provision for the self-employed, but without any auto-enrolment scheme, they still do not have parity on pensions. Will the Chancellor please remember that and look at it?

Mr Hammond: Yes. As we have now cast more widely our review of the differences in how employees and the self-employed are treated, it is right that we should look at that particular aspect as well, and we will do so.

John Woodcock (Barrow and Furness) (Lab/Co-op): Can we just be clear: is the Chancellor saying that he was not aware that he was breaking his own manifesto promise until the BBC pointed it out, or that he was aware of it but was just hoping no one noticed?

Mr Hammond: Neither. We understand the commitment that we made to have been discharged by the passage through the House of the National Insurance Contributions (Rate Ceilings) Act 2015, which set out very clearly the scope that the then Chancellor decided to apply to the national insurance contributions lock. That is how the Treasury has worked since 2015, with the locks and ring-fences that were put in place. They are part of the everyday workings of the Treasury, and that was what we worked to in this case. However, I have accepted today that there is a broader interpretation—based on the manifesto itself, not the legislation that implemented it—and that is why I have come to the House and made this statement.

Bob Blackman (Harrow East) (Con): I congratulate my right hon. Friend on listening to the self-employed and to representations from Conservative Members in particular. Will he confirm that the announcements he has made today about the abolition of class 2 national insurance contributions and their transfer to class 4 contributions mean, in effect, that every single self-employed person in this country will experience a tax cut over the next two years?

Mr Hammond: Yes. It will not be over the next two years, but in one go, with a tax cut of about £130 a year in April 2018. That is because class 2 is a regressive tax—it is a flat-rate reduction for everybody who is self-employed, regardless of the level of their income.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): This is of course a welcome U-turn, but if it is right to rethink this decision, is it not also right to look at the decisions that were overlooked last week? The Chancellor spoke in his statement about unfairness in treatment. May I remind him of the thousands of WASPI—Women Against State Pension Inequality—women who protested outside the Chamber last week, and ask him when his Government will redeem in full their contractual obligations to them?

Mr Hammond: We have already addressed the concerns of women affected by the change in pension age. Of course I am aware of the residual concerns being expressed by that group of people, and we hear those concerns, but we have addressed the principal issue.

Mr Peter Bone (Wellingborough) (Con): I very much welcome the Chancellor’s statement. In Wellingborough, we had a parliamentary meeting on Saturday morning, when the view on the general principle in the manifesto was mentioned. Will he look to the future, however? He may be able to narrow the difference between the employed and the self-employed by reducing the contribution that the employed make, so will he do that from the Brexit dividend?

Mr Hammond: My hon. Friend never misses an opportunity to bring us back to his agenda. I have had suggestions from various parties that the gap between the contributions of the employed and the self-employed could be narrowed by the device of lowering the contributions of the employed. However, 85% of the working population are employed, and any reduction in the contribution of the employed would be a huge fiscal cost and would—in our world—have to be paid for, although the right hon. Member for Hayes and Harlington may have a different view.

Christian Matheson (City of Chester) (Lab): The clear impression given by today’s announcement is of a reactive Government who are not in control of their own agenda. Following on from the question of my hon. Friend the Member for Barrow and Furness (John Woodcock), may I specifically ask the Chancellor whether he knew that his policy contradicted the 2015 Conservative manifesto? If he is such a good listening Chancellor, why did he not listen to representations before he made his statement and not go ahead with his announcement last week?

Mr Hammond: Because those representations were not made before the statement. In fact, as the hon. Gentleman will remember, there was quite a lot of speculation in the media in the week before the Budget about a possible increase in class 4 national insurance contributions, but I did not see any reference to the manifesto in any of those media discussions. We believe that the National Insurance Contributions (Rate Ceilings) Act put into law the lock that we put in place, and I did not hear anybody suggest anything to the contrary during the press speculation in the week before the Budget.

Amanda Solloway (Derby North) (Con): I want to add my congratulations to the Chancellor on his announcement. Self-employment is key to our economy and to the people of Derby. We have many great examples of successful and thriving businesses, thanks to the ongoing polices of this Government. Will my right hon. Friend assure me, however, that he will look at all the ways in which he can encourage the continued growth of those essential businesses?

Mr Hammond: Yes. It is precisely growing small businesses that we must seek to encourage. The subset of the self-employed who employ people—it is actually quite a small subset—are very much to be encouraged, because that is a way of promoting growth and creating job opportunities in our communities.
Mr Hammond: I have explained to the House what happened and what the view is inside Government about the tax locks that we put in place. The hon. Gentleman is entitled to his opinion and he has expressed it.

Nigel Mills (Amber Valley) (Con): I thank the Chancellor for his change of mind today. I urge him to carry on with some parts of the proposal, namely considering how we can ensure that the very highest earners, who tend to be self-employed, pay the right amount of tax, including partners in limited liability partnerships, who have the advantages of limited liability and of not paying national insurance.

Mr Hammond: My hon. Friend is right. It is a relatively small group, but about 90,000 self-employed people, many of them on very high earnings, benefit enormously from the way the system operates, particularly those who use limited liability partnerships. That is an essential part of the review of this issue in the round that we have to do.

Andy Slaughter (Hammersmith) (Lab): Unlike some of my hon. Friends, I can readily understand why the Chancellor resisted reading the Tory manifesto until Laura Kuenssberg drew his attention to it last week, but I cannot understand his position now. Is it, “I was absolutely right to raise national insurance contributions for the self-employed, and that’s why I’m not going to do it”?

Mr Hammond: I think I have made my position quite clear. I have distinguished between the two issues. On the substance of the issue, it is absolutely right to address the discrepancy, which is no longer justified by the difference in access to benefits. However, it is also right that we accept the wider interpretation of the manifesto commitment that my hon. Friends have expressed to me. That is why we have said that we will continue to review the issue in the round and will come back to Parliament with our decisions arising from the review, but we will not increase national insurance contributions in this Parliament.

Robert Jenrick (Newark) (Con): My constituents, almost a quarter of whom are self-employed, will welcome the decision today, but they also find it extraordinary when they read in the papers that the chief executive of their local hospital trust is paid £400,000 a year through a personal service company—a practice, incidentally, that got completely out of control under the last Labour Government. Will my right hon. Friend the Chancellor continue to tackle those issues, particularly in the public sector?

Mr Hammond: I empathise enormously with the self-employed of my hon. Friend’s constituency. He will know that I once lived among them. I sympathise with the point he has raised about public sector employees using personal service companies, but he will know that we have legislated so that, from next April, public sector engagers of people who use personal service companies will be responsible for deducting the tax and national insurance contributions that those people would be paying if they were employed directly as employees.

Chris Evans (Islwyn) (Lab/Co-op): Will the Chancellor give small businesspeople an assurance that the three years he talks about is not simply a stay of execution and that we will not see another Tory tax hike in three years’ time?

Mr Hammond: I have made it clear that there will be no increase in national insurance contributions during the remainder of this Parliament. As I have said, I am not setting out today the Conservative manifesto for the next general election. I am making a commitment for this Parliament, and I hope the House will be satisfied with that.

Robert Courts (Witney) (Con): I declare an interest as someone who was self-employed until a few months ago. [HON. MEMBERS: “Hear, hear.”] Thank you. As a member of the Federation of Small Businesses and the chairman of the all-party parliamentary group for small and micro businesses, I welcome today’s announcement from the Chancellor and thank him for it, as will the nearly one fifth of my constituents in Witney and west Oxfordshire who are self-employed. Will the Chancellor give a little more detail on the scope of the review he will undertake over the summer?

Mr Hammond: Yes. First we will respond to Matthew Taylor’s report, which looks more widely at employment rights in a rapidly changing economy. We will look at parental benefits, which are the principal area where there is still a discrepancy in what is available for the self-employed and the employed. There are other relatively minor areas, but we will look at all of them and seek to, as it were, audit the differences in treatment between the employed and self-employed. The House and people outside will then be able to see in the round the difference in access to benefits and entitlements and the difference in contributions, and form a judgment about how we should move forward.

Mr David Hanson (Delyn) (Lab): Just so that I do not have to wait 30 years to read the minutes of the Cabinet meeting, will the Chancellor confirm that the decision last week was the unanimous decision of the Cabinet? As he is seeking savings to fill the £2 billion hole, will he start with the £320 million towards free schools that he announced last week?

Mr Hammond: I am sorry to disappoint the right hon. Gentleman, but he will have to wait 30 years. I am not about to tell him what happened in the Cabinet, but he will know that all decisions are the unanimous decisions of the Cabinet.

Richard Drax (South Dorset) (Con): I congratulate my right hon. Friend on his wise and dignified statement today, and thank him for it. Conservative Members understand that we have to live within our means. Is it not time to look at the overseas aid budget and the figure of 0.7% of GDP? I suggest that if we need some money, that is an area we should look at.
Mr Hammond: There again, we have a manifesto commitment to spend 0.7% of GDP on overseas aid. That commitment is legislated for and is therefore locked, unless this House were to decide otherwise.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): This is another right boorach. The last Chancellor who had to make a U-turn lasted only a few weeks thereafter, so before this Chancellor leaves office, will he confirm that, since he said that this decision was only made at 8 o’clock in the morning, that means it has not been taken to the full Cabinet?

Mr Speaker: I am very grateful to the hon. Gentleman; I shall add the word “boorach” to my vocabulary.

Mr Hammond: Yes, the decision was made by me and the Prime Minister this morning.

Michael Fabricant (Lichfield) (Con): I thank my right hon. Friend for reacting so quickly to the representations made to him by colleagues and, indeed, by Laura Kuenssberg. But I ask him in all seriousness to listen on occasion to the Labour party, because there are lessons to be learned. Labour would have leaked this statement out at a weekend, not immediately prior to Prime Minister’s questions. It would not have come to the House and made an oral statement; there would have been a written statement. I say to my right hon. Friend that he is really far too open.

Mr Hammond: As you would expect, Mr Speaker, we try, if it is at all possible, to ensure that the House is always informed first of these matters. After my right hon. Friend the Prime Minister and I met this morning, I wrote to the Chairman of the Treasury Committee and placed a copy of that letter in the Library of the House, and I have made this statement at the earliest opportunity available to me.

Danny Kinahan (South Antrim) (UUP): We have already heard that Northern Ireland has some 134,000 self-employed people. We also know that it is critical that we increase the private sector in Northern Ireland. At the same time, we have 50% fewer new businesses. Will the Chancellor ensure that the future consultation on this matter considers all the aspects of its effects on the Northern Ireland economy?

Mr Hammond: Yes; as the hon. Gentleman alluded to, there are specific issues in Northern Ireland, where the public sector still occupies a dominant role in the economy. Of course, we all share the objective of increasing the share of the private sector in the Northern Ireland economy. Small businesses can play an important role in that. The lessons of this review will be generally applicable across the United Kingdom, but they will certainly play an important role in Northern Ireland.

Ben Howlett (Bath) (Con): Although it might not be palatable to Opposition Members, as somebody who was self-employed for many years before entering this place, I think the Chancellor was absolutely right last week to make his announcement and rebalance the tax base, as more self-employed people enter the jobs market. He was also right to listen to the comments of Government Members. I appreciate that my right hon. Friend does not want to make comments about the next manifesto, but does he agree that we should look at proposals to effectively scrap this very outdated tax and merge it into a single tax, which would be an awful lot more progressive?

Mr Hammond: As my hon. Friend will probably know, ideas about merging the tax and national insurance systems have been around for longer than I have. Although it is a superficially attractive proposition, it is fraught with practical difficulties. The Office of Tax Simplification looked at it recently, and I am sure my hon. Friend will have read its report. I say to the House that all matters relating to tax are kept continually under review at every fiscal event.

Mike Gapes (Ilford South) (Lab/Co-op): Last week, the Chancellor made what at the time was a very funny joke about a Chancellor of the Exchequer sacked just a few weeks after a Budget. Does he, in retrospect, agree with Lord Lamont that this was a rookie mistake?

Mr Hammond: I set out the basis on which we made the difficult decision to proceed with changes to class 4 national insurance, packaged with the abolition of class 2 national insurance, to try to make the system a little bit fairer. We listened to our hon. Friends and decided to withdraw the proposals, conduct a wide-ranging review and set out to Parliament later in the year how we intend to proceed.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on his statement, and warmly thank him for listening to colleagues and their constituents. Notwithstanding his comments to my hon. Friend the Member for Bath (Ben Howlett), may I invite him to look afresh at the possibility of hypothecating national insurance contributions, so that contributors to NICs, employers and the public can see a clearer link between their contributions and the services they receive?

Mr Hammond: There is a soft hypothecation around national insurance contributions: 20% of the fund goes to the national health service. They fund the state pension to which self-employed people now have full access for the first time—an extraordinary enhancement in the entitlement. I am told that, for a 45-year-old man, the enhanced pension in retirement, £1,800 or more a year, would cost about £50,000 as a capital sum to purchase an annuity in the marketplace. That is an extraordinary expansion of the entitlement offered to the self-employed.

Paula Sherriff (Dewsbury) (Lab): Well, well. They do say a week is a long time in politics and I am sure the Chancellor would agree with me on this occasion. Now, £2 billion would account for over 10,000 police officers, 10,000 teachers, 12,000 nurses and 5,000 doctors. Will the Chancellor guarantee that none of those posts will be cut as a result of his Government’s gross incompetence?

Mr Hammond: The hon. Lady might also have remarked, “Don’t worry, the kids will pick up the tab.”
John McDonnell: Read your own manifesto.

Mr Hammond: I am listening carefully to the right hon. Gentleman, but I am not hearing anything worth listening to.

David Morris (Morecambe and Lunesdale) (Con): I was self-employed for 27 years before I came into this House, and I have campaigned long and hard for the abolition of class 2. My hon. Friend the Member for Harrow East (Bob Blackman) said that this is a tax cut, which it is. Will the Chancellor allude to what the self-employed will be getting? As a self-employment ambassador to the former Prime Minister, I know the self-employment sector is very keen to find out exactly what it will get for this extra annuity.

Mr Hammond: The self-employed benefit from increased personal allowances, taking 3 million people out of tax altogether, and a tax cut for 29 million people. From April this year, the self-employed, like the employed, will have access to tax-free childcare and the additional childcare offer for three and four-year-olds. That is a new extension of the entitlement to the self-employed. As I mentioned, the extension last year of the state pension to the self-employed on the same basis as employees really was a dramatic step-change in the way the system operates. It is worth noting that with all these enhanced entitlements there has been no change at all to the contribution asked of self-employed people.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The Evening Standard delivered a damning verdict on its front page today, “Hammond U-turn on Budget Fiasco: Chancellor’s job on line as he climbs down over tax rise for entrepreneurs.” It is looking like the last spring Budget may also be the Chancellor’s last Budget. In fact, we just heard him endorse Laura Kuenssberg from the BBC. How does he intend to build trust in his competence following this utterly shambolic episode?

Mr Hammond: I explained how we approached this issue. We have a bigger job to do here. The country is embarking on a great venture that will shape the future of this country for many years to come. National insurance class 4 contributions are important, but I suggest they are not the only challenge facing the country today. It is important that we focus on the other issues that are vital to get right.

Andrew Bingham (High Peak) (Con): I applaud my right hon. Friend on three counts: his ability to understand, listen and act. He understands that the changes can be seen as a break with a manifesto commitment, he listened to colleagues on the Conservative Benches, and he acted swiftly and with certainty to give self-employed people the clarity that people in business want. In the review, will he ensure that we never lose sight of the fact that the self-employed are the risk takers and the entrepreneurs who power our economy, at great risk and uncertainty to themselves?

Mr Hammond: As I have said many times today and am very happy to say again, we will always support those who are taking risks to grow and found new businesses. Our job—I take this very seriously and my right hon. Friend the Prime Minister takes it very seriously—is to do what is right for the country. When it becomes apparent that we have to do something because it is the right thing for the country—that is what has become apparent to us over the past couple of days—we will do it, however difficult it is. That is what I have done today.

Geraint Davies (Swansea West) (Lab/Co-op): I realise that the Budget has now become a consultation exercise. Will the Chancellor confirm that at the time he and his colleagues put together the manifesto commitment not to put up national insurance, VAT or income tax, there had been no economic impact assessment of Brexit; and that the economic cost of Brexit, from hard Brexit and tariffs, will fall wholly on public services and the poor?

Mr Hammond: It is certainly the case that at the time of the last general election the referendum had not taken place. Indeed, if a Conservative Government had not been elected a referendum would not have taken place. The hon. Gentleman knows and understands that very well. I have explained today how we approached the manifesto commitments, how we delivered them into law and how we have reviewed the way they are seen in the light of representations from colleagues.

Huw Merriman (Bexhill and Battle) (Con): There has been much talk about the manifesto. This is the manifesto that promised to protect the elderly. In delivering an extra £2 billion for social care, does the Chancellor agree that those of us on the Government Benches need to support him when he makes difficult decisions to raise the cash? The alternative is putting future generations into horrendous debt.

Mr Hammond: My hon. Friend is exactly right. As I have already said several times today, we will not adopt the convenient ruse the right hon. Member for Hayes and Harlington has of pretending that we can borrow for everything without any cost. If something needs doing, such as funding our social care system, we have to be prepared to pay for it. Simply pretending that we can borrow for it and pass the debts to our children is not a credible fiscal position.

Alan Brown (Kilmarnock and Loudoun) (SNP): This farce has come about partly because of the lack of transparency in the estimates and Budget process. The Government should look at it again. Given that the Chancellor admits his spring Budget is no longer fiscally neutral, I have a few suggestions for what he can look at again: the higher rate threshold, nearly £3 billion; lifetime ISA up to £20,000; £3 billion; corporation tax giveaway, £23.5 billion; and inheritance tax giveaway, nearly £3 billion. That is £32 billion worth of giveaways over the next few years in this Budget. Why does he not look at those measures again when he talks about balancing the books?

Mr Hammond: We know that the Scottish National party believes in higher taxes, because everyone earning more than £45,000 will be paying £314 a year more tax in Scotland next year than in England.

Charlie Elphicke (Dover) (Con): I commend the Chancellor for his statement and urge him to take firm action on fake self-employment, which is tax dodging by big businesses that are shirking their responsibilities
and should know better. Will he also consider the case for a wide-ranging reform for a new deal for the self-employed, not just on the tax side of the ledger, but in respect of workplace support, so that we could have fairness and a level playing field between different types of worker?

Mr Hammond: That is the purpose of the report that Matthew Taylor is writing to look at the differences in treatment as the economy changes shape. My hon. Friend is absolutely right that there are examples of employers egregiously forcing employees into bogus self-employment, but there are also much more complex cases—for example, where new digital platforms are allowing people to work in different ways. Are they employees; are they self-employed; are they something else in between? We need to ask those questions because, as the economy changes shape, this will become an increasingly important issue for us to address.

Mr Hammond: As I have said, we have considered the issue of women affected by the pension age changes and we have provided some transitional funding. I am aware that there are people who believe that that is not sufficient and who would like more. I understand that, but the role of Government is always to balance the claims of individuals against the interests of the taxpayer, who has to fund these things in the end, and we think we have got that balance right.

Mr Philip Hollobone (Kettering) (Con): Away from the Chamber of the House of Commons, out there in the real world, there is an army of self-employed people who are working their socks off from dawn to dusk and often longer. They often take great personal risks. They are the heroes and heroines of wealth creation. Without their efforts, we simply would not be able to afford the first-class services that we all need, and we think we have got that balance right.

Mr Hammond: I am grateful to my hon. Friend, and I extend my sincere good wishes to all the people of Kettering—self-employed or otherwise—and everywhere else.

Tracy Brabin (Batley and Spen) (Lab): Although the freelance cultural industries and the self-employed of Batley and Spen are very grateful for this U-turn, it is the slashing of the dividend drawdown from £5,000 to £2,000 that makes a massive difference. Some people are living on this when they cannot get work for months after month. Will the Chancellor do a U-turn on that as well?

Mr Hammond: I hear what the hon. Lady says, but this is a measure that will affect only people who have a share portfolio worth typically more than £50,000. It is a measure that affects a relatively small number of people. If we want to fund things such as social care with additional cash injections, we have to raise the money from somewhere. I am sorry if that is a hard lesson. I know it is one that the right hon. Member for Hayes and Harlington will avoid at all costs, but fiscal discipline requires us to find a way of funding the high-value public spending that we need to do. I believe that the Budget measures we have announced are an appropriate way to raise the funding needed to support our social care, the national health service, skills and schools as our economy goes forward.

Jeremy Lefroy (Stafford) (Con): I welcome the Chancellor’s statement and the fact that he is the first Chancellor to see the budget deficit fall below 3% in at least 10 years, building on the work of his predecessor. I thank my hon. Friend the Member for Salisbury (John Glen), who I believe must have had quite a busy week since the Budget, for all the work he has done on this. Does the Chancellor agree that, if we are to have the first-class services that we all need, we have to raise the revenue? The time for raising revenue to pay for these, rather than for cuts, is now.

Mr Hammond: Yes, although I remind my hon. Friend that we have embarked on an efficiency review, seeking to make a further £3.5 billion of efficiency savings in departmental expenditure, of which I have committed to reinvest £1 billion in our priorities. Getting the balance right between taxation, efficiency in public expenditure and borrowing where it is right to do so is important. I have borrowed for infrastructure investment and for productivity-enhancing infrastructure in the autumn statement. Where it is right to do so, we will borrow, but it is not right to borrow for everyday expenditure in the way that the right hon. Member for Hayes and Harlington suggests.

James Cartlidge (South Suffolk) (Con): Auto-enrolment has been a great success story for the employed, but there is a major practical barrier in selling it to the self-employed, who do not normally have one single payroll controller. However, is my right hon. Friend aware that, with the rise of the gig economy, millions of workers are self-employed and, effectively, working for one big company? Is he also aware that, when I asked representatives of Hermes, Deliveroo, Amazon and Uber in the Select Committee whether they would be willing to consider such a scheme for their gig workers, they were very positive about the prospect of the Government bringing one in?

Mr Hammond: As I have said, we will include looking at auto-enrolment in the broader review that we are going to undertake of the differences in treatment between employees and the self-employed, which is clearly a significant area.

Sir Desmond Swayne (New Forest West) (Con): On a point of order, Mr Speaker. May I make a germane point of order?

Mr Speaker: It is quite a proud and ambitious boast of the right hon. Gentleman that his point of order will be germane. The first thing to establish is that I will
exceptionally take points of order now if they flow directly from the matters with which we have just been dealing. Otherwise, they will have to wait.

Alex Salmond: On a point of order, Mr Speaker. I, too, have an extremely germane point of order.

Mr Speaker: Extremely germane? Well, there is a Dutch auction in relevance taking place here.

Rebecca Long Bailey (Salford and Eccles) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I am going to take the hon. Member for Salford and Eccles (Rebecca Long Bailey), who is speaking from the Front Bench, first, and I shall save the other Members for the delectionation of the House.

Rebecca Long Bailey: In response to questions, the Chancellor stated that I had confirmed, with reference to the National Insurance Contributions (Rate Ceilings) Bill, that this discharged the Tories’ national insurance manifesto pledge. For the benefit of the record, I stated that it was part of their wider pledge to cap income tax, VAT and national insurance contributions. On Second Reading, I stated that it was part of the Government’s policy to cap national insurance contributions for this Parliament and went on to state:

“If they are going to legislate for every pre-election promise, surely they should apply that to every manifesto pledge. They are Parliament and went on to state: [Official Report, 27 October 2015; Vol. 601, c. 19.]”

Interestingly—

Mr Speaker: Order. I am sorry, but I cannot have a lengthy dilution. That is not appropriate. If the hon. Lady has something specifically for me, which she can encapsulate in a short sentence of no more than 20 words, I will treat of it.

Rebecca Long Bailey: I respectfully request that the Chancellor retracts the comments he made earlier on that very question. They are factually incorrect.

Mr Speaker: The hon. Lady has made her request. The Chancellor can respond, but he is not procedurally obliged to do so. If the right hon. Gentleman wants to respond briefly, he may.

Mr Hammond: Further to that point of order, Let me merely and briefly read the hon. Lady’s words as recorded in Hansard:

“As we have heard, this Bill enacts the Conservatives’ manifesto pledge not to increase NICs in this Parliament.”—[Official Report, 3 November 2015; Vol. 601, c. 914.]

Mr Speaker: I cannot instruct Members on which sentence they should read, but I rather suspect that if Members wish to return to these matters, they may choose to do so.

Sir Desmond Swayne rose—

Alex Salmond rose—

Mr Speaker: Two Members are standing, both of whom are distinguished products of the University of St Andrews. They seem to be in some fierce competition with each other as to the respective relevance of their points of order. I call Mr Salmond.

Alex Salmond: On a point of order, A wise choice, Sir. My point of order, extremely germane, is about collective responsibility for the Budget. Traditionally, it was held that a Budget was outwith collective responsibility, but more recently, the practice has been to take the Budget to Cabinet and then bring it to the House, thus ensuring collective responsibility. The Chancellor told us a few seconds ago that this mark 2 Budget could not, by definition, have been subject to that Cabinet responsibility, because he and the Prime Minister decided on it at breakfast this morning.

May I have a ruling, Mr Speaker, on two emergency measures? First, may I suggest that, to ensure that all Ministers are bound to support the Chancellor through collective responsibility, there should be an emergency Cabinet meeting to give the change to the Budget the sanction of that collective responsibility? Secondly, may I suggest that Laura Kuenssberg of the BBC should be brought into the Cabinet so that its members can get it right the first time?

Mr Speaker: Far be it from me to have to say this to the right hon. Gentleman, but I think that he has raised a notably political point under the elegant cloak of constitutionalism. He does have some experience and dexterity in these matters, and I am therefore not altogether surprised at his ingenuity on this occasion. However, I do not think that it warrants a response from the Chair beyond that which I have offered. His point is on the record.

Mr Peter Bone: But not germane. [Laughter.]

Mr Speaker: I do not wish to adjudicate upon how relevant it is—

Mr Bone: Division?

Mr Speaker: But it has been heard, and I do not wish further time to be taken up by a Division of the House. Now we must hear the point of order from Sir Desmond Swayne.

Sir Desmond Swayne: On a point of order, Mr Speaker. As a slavish supporter of the Government, I am in some difficulty. My article for the Forest Journal, robustly supporting the Chancellor’s earlier policy, is already with the printer. [Laughter.] Having been persuaded of the correctness of the course that the Chancellor is now following, I merely needed an opportunity to recant. [Laughter.]

Mr Speaker: I hope that the right hon. Gentleman is satisfied that, by a wanton abuse of the point of order procedure, he has found his own salvation. We will leave it there for now.

I am glad that the House is in such a good mood, and I am sure that it has an insatiable appetite for the next statement. However, I have just been advised that this might be a convenient moment at which to announce
the result of deferred Divisions. We are building up a sense of anticipation for the Secretary of State for International Development.

I have now to announce the result of the day’s deferred Divisions. In respect of the question relating to social security, the Ayes were 292 and the Noes were 236, so the question was agreed to. In respect of the question relating to the Crown, the Ayes were 464 and the Noes were 56.

[The Division list is published at the end of today’s debates.]

Counter-Daesh Update

3.22 pm

The Secretary of State for International Development (Priti Patel): With permission, Mr Speaker, I shall update the House on the ongoing campaign against Daesh in Iraq and Syria, including the UK’s role in this collective effort. I shall deal first with Mosul, the last major population centre held by Daesh in Iraq and a city key to the counter-Daesh campaign.

Retaking Mosul will be a body blow to Daesh and a major victory for the Iraqi Government, but this is not going to be an easy fight. It will be tough to retake the city, tougher to rebuild it after three years of Daesh rule, and tougher still to win back the trust of the population. Since the House was last updated in November, Iraqi forces have made significant progress against Daesh in Mosul, with substantial support from coalition aircraft including those of the Royal Air Force. East Mosul was retaken on 24 January.

We should pay tribute to the skills and tenacity demonstrated by the Iraqi security forces in clearing Daesh from east Mosul, and to their commitment to protecting civilians during that difficult fight. The liberated community of east Mosul have testified daily to the horror and the sheer brutality that they have experienced. The United Nations has received “innumerable reports of... gross abuses of human rights” perpetrated by Daesh, including the use of human shields and snipers to kill civilians, and the existence of mass graves—a reminder to us all of why bringing Daesh to justice is so vital. Thirty schools in east Mosul have already reopened, allowing 16,000 children to return to education. UK assistance through the UN is providing access to water, health and municipal services, and our funding for the UN Mine Action Service will assist in the removal of explosive devices.

On 19 February, Iraqi forces launched the next phase of the operation: the liberation of west Mosul. We should congratulate them on their steady progress so far, including the recent capture of the regional government offices and the courthouse. We will continue to encourage the Government of Iraq to ensure that the protection and wellbeing of civilians are paramount during the ongoing operations.

As a global humanitarian leader, the UK remains at the forefront of efforts to support the Government of Iraq’s response to the humanitarian crisis in Iraq. Since June 2014, the Department for International Development has committed £169.5 million to the crisis. A significant proportion of those funds is contributing to the Mosul humanitarian response, and has allowed our partners to make preparations before the start of military operations. We are giving very practical and often life-saving help to vulnerable families. It includes trucking in millions of litres of clean water to people in east Mosul who face severe water shortages, providing shelter, distributing support kits containing blankets and heaters to thousands of displaced families, thus helping them to survive gruelling winter conditions, and giving children access to education and safe spaces.

I remain, however, especially concerned about the plight of civilians who are still trapped in west Mosul by Daesh. We understand that water, food, fuel and medical supplies are worryingly low. Access is all but impossible,
but the UK, together with our partners, is looking at every option for humanitarian assistance. Later this month the UN will launch the 2017 humanitarian response plan for Iraq, which estimates that the humanitarian funding required for 2017 will be $930 million. I continue to call on other donors to follow the lead that the UK is setting. However, the humanitarian efforts alone will not be enough; we will also need to ensure the political climate is right.

Central to efforts to secure stability and peace in the city of Mosul and the governorate of Nineveh post-liberation will be the political arrangements that lay the foundations for the long-term reconciliation that is so important. Securing a sustainable peace in Iraq will require the Iraqi Government, with assistance from the international community, to address Sunni fears and interests, bring communities back together, and ensure that Iraq is placed on the road to stability and—equally important—prosperity. To help to achieve that objective, the UK supports, and provides funds for, the UN’s efforts to encourage reconciliation. We continue to urge Prime Minister Abadi and the Government of Iraq to take the steps that are necessary to ensure that they do not win just the war, but the peace. On 17 February my right hon. Friend the Foreign Secretary met Prime Minister Abadi in Munich, where they discussed the issue.

Let me now deal with Syria. Regrettably, we are marking the sixth anniversary of the terrible civil war in which civilians continue to suffer so badly. We were pleased that UN-mediated political talks between the Syrian parties resumed in Geneva last month, and that the participants were able to agree on the future agenda. The next round is due to take place later this month. We strongly support the work of the UN and of the special envoy, Staffan de Mistura.

It is clear that there is no military solution to the situation in Syria, and a sustainable political settlement is needed to end the fighting for good. This will require a genuine transition to a new Government that is representative of all Syrians and that will protect all Syrians’ rights. It is the UK’s long-standing position that there can be no sustainable peace in Syria while Assad remains in power. The atrocities the regime has committed make it impossible for him to unite the country and bring peace. The UN commission of inquiry’s recent report on the Aleppo offensive said that the regime had committed war crimes with its indiscriminate bombing and use of chemical weapons against civilians and its targeting of medical facilities and a humanitarian aid convoy.

The UK continues to call for accountability for these violations and abuses of human rights. In December, we co-sponsored a UN General Assembly resolution to establish an independent mechanism to assist in bringing those responsible for the most serious crimes to justice. Most recently, we worked with the French and the US on a UN Security Council resolution to hold the regime and Daesh to account for their use of chemical weapons in Syria. We are deeply disappointed that Russia and China chose to veto this resolution.

The UK continues to use its position in the International Syria Support Group and the UN Security Council to support the work of the UN special envoy to bring peace in Syria. We have called for the ceasefire, brokered by Russia, Iran and Turkey, which came into force on 30 of December, to be strengthened. The regime must abide by the ceasefire and stop taking new territory if the ceasefire is to be credible. Russia and Iran, as guarantors of the agreement, must deliver on their commitments.

The fall of east Aleppo in December was a tragedy that brought home to many the ongoing nightmare being experienced by so many in Syria. Some 13.5 million people are in need of humanitarian support, and 1.5 million of them are living under siege-like conditions. The Assad regime continues to prevent the delivery of life-saving aid.

Through the UK’s humanitarian and diplomatic efforts, we are doing all we can to alleviate the suffering of civilians. We have mounted the UK’s largest ever response to a humanitarian crisis and are using our position in the UN Security Council and the International Syria Support Group to press the regime and its backers to allow aid to reach those who need it, and call for civilians to be protected.

As part of our £2.3 billion pledge to support people affected by the Syrian crisis, we have committed more than £1.2 billion to support refugees in the region. I have seen how our support is making a real impact. In Lebanon, I met Syrian children who, thanks to UK support, now have an opportunity to learn and attend school alongside Lebanese children, after years of suffering. In Jordan, I visited the Azraq refugee camp and witnessed how we are supporting job creation for Syrian refugees. I also discussed with the President of Lebanon and the Prime Minister of Jordan how the UK will continue to lead the scale-up in international support for host countries.

I have met refugee families from Raqqa who told me about their experiences of the daily horror of living under Daesh rule. No child should have to witness kidnappings, public hangings on their streets, and the torture of their friends and families. I spoke to mothers who had lost children as they fled the terror of Daesh.

Despite its claims to be fighting terrorism, Assad’s regime focuses its efforts on eradicating all political opposition in Syria by military means. The regime has left the job of tackling terrorism in Syria to the international community.

Daesh continues to lose territory in Syria. In north-west Syria, Turkish-backed Syrian opposition forces, with support from coalition aircraft, have succeeded in pushing back Daesh and taken al-Bab. Elsewhere, the Syrian Democratic Forces have commenced operations to isolate Daesh’s stronghold in Raqqa, with coalition air support. This is a fight that will take time and patience to get right. The population will need an inclusive and legitimate local authority to represent them.

As well as action on the ground, we have made progress in countering Daesh’s propaganda, which it has used as a recruiting tool. Daesh’s propaganda output has fallen by about 75% over the last year. On social media, anti-Daesh posts now outnumber pro-Daesh propaganda by six to one. The UK is leading coalition efforts to do this.

A year has now passed since the UK co-hosted the “Supporting Syria and the Region” conference in London. Donors pledged over $12 billion, the largest amount raised in a single day for a humanitarian crisis. One year
on, donors have exceeded their pledges for 2016, allocating $8 billion, of which $6.2 billion has been delivered to Syria and the refugee-hosting countries. The UK has set the pace in going above and beyond what was promised, exceeding our 2016 pledge of £510 million, with £550 million in life-saving aid delivered last year. Next month, we are co-hosting the Brussels conference, which will be an important opportunity to take stock of the situation in Syria, reaffirm and build on the London conference commitments, and ensure ongoing support to those in Syria who are in desperate need of help.

In conclusion, much progress has been made against Daesh. Since 2014, it has lost 62% of the territory it once held in Iraq and 30% in Syria, but much more remains to be done. Even when Daesh is militarily defeated, we must continue to be wary of its resurgence. In Iraq this means supporting the Government to restore order and be accountable to all their people to meet their needs. In Syria it means continuing our efforts to deliver a political settlement that enables a transition away from Assad to a Government who serve all the Syrian people.

The protracted crises in Syria and the region are the defining humanitarian challenges of our time. History will judge us if the international community does not deliver on support for affected and displaced Syrian and Iraqi people. Supporting the region is the right thing to do on behalf of those suffering, and it is the right thing to do for the UK, to make us safer. I commend the statement to the House.

Kate Osamor (Edmonton) (Lab/Co-op): I welcome the Secretary of State’s statement today, and I thank her for giving me prior sight of it. There has long been cross-party agreement on helping those who are fleeing terror and persecution. The most vulnerable, and Britain has a long history of meeting the needs of others. We should stand together in the House today and support that tradition now. I welcome the Secretary of State’s statement.

Priti Patel: I thank the hon. Lady for her comments. She will be the first to recognise the extent of not only DFID’s work, but the British Government’s combined effort, including our first-class diplomacy, how our military and defence teams come together, and our work on the ground in difficult and challenging parts of the world to deliver humanitarian support and, in particular, protect the lives of civilians. Everyone in the House today would pay tribute not only to those on the frontline and the civilians who see the horrors of Daesh day in, day out, but the aid workers and many others who deliver life-saving and life-changing humanitarian support in country.

Our work shows Britain at its best and exactly why we have UK aid. It shows not only how the British Government lead across the world, but how we influence security and stabilisation in many of the areas that the hon. Lady touched on, and how we can work together, including with the United Nations, to bring about peace and address the atrocities and the horror of the crimes of Daesh and the Assad regime. Much of that work is already under way. There is no doubt that it will take time—the evidence-gathering and investigations could take many years—but the entire House can commend not only the work of everyone on the ground in country, but the important international leadership work of the British Government.

Paul Scully (Sutton and Cheam) (Con): Last year, I met a Yazidi Christian in a refugee camp in Athens who had brought five children, including a 10-year-old boy, over on a dangerous boat trip. Does my right hon. Friend agree that it is right for the UK to provide...
general financial support for refugee centres throughout the middle east? That support must continue for humanitarian reasons, so that families such as the one I mentioned do not have to extend their suffering.

**Priti Patel:** My hon. Friend is right. As I mentioned, I have visited the region several times, meeting many refugees who have experienced nothing but trauma on their journeys. The whole House should commend the host countries that are doing tremendous work, and I pay particular tribute to the Governments of Jordan and Lebanon for their outstanding contributions. Through last year’s London Syria conference and the forthcoming Brussels conference, we are giving those host countries every ounce of support, in terms of our pledges and our work to ensure that they can support refugee communities in a sustainable way and to help bring peace and stability to the region.

**Patrick Grady** (Glasgow North) (SNP): I thank the Secretary of State for advance sight of her statement; it is always welcome to see her at the Dispatch Box. As the Disasters Emergency Committee today launched an appeal on the famine in east Africa, it may be helpful to hear at some point what DFID is doing in response to that.

I recognise the role that DFID plays in responding to the humanitarian situation—something it can do because it meets the 0.7% aid target. Given that the official development assistance budget is being spread more thinly across Departments, is the Secretary of State confident that DFID has the necessary resources? Will she confirm the Government’s commitment to the aid target, not least because that will encourage others to follow suit and fulfil the pledges that have been made?

Daesh’s activities are causing massive displacement across the region, so what steps is the Secretary of State taking to ensure adequate provision for the humanitarian response in the countries that border Iraq and Syria? What support is she able to provide to local civil society, particularly the Churches and faith-based organisations that are often best placed to respond quickly to those in need? Aid for the formal refugee camps is welcome, but what support is being provided to those not in formal camps, particularly in Lebanon?

On the response in Syria, we have repeatedly asked, “If we can drop bombs, why can we not drop bread?” What lessons can be learned from the drone delivery trials in Nepal and Tanzania? What discussions are being had with the US about the joint precision airdrop system? Displacement does not just happen to border countries. The UK needs to commit to taking its fair share of refugees; 20,000 over five years is not a fair share, nor is 350 children under the Dubs scheme. If ODA money is to be used by other Departments, the Home Office can use it for the first year of resettlement.

The former Prime Minister said that UK military involvement in Syria would cut off the head of the snake. Where is the evidence that that has happened? A humanitarian response is the right thing to do, and not only to make us safer; as long as people in Syria and Iraq live with the consequences of UK military adventurism, we have a responsibility to help clean up the mess.

**Priti Patel:** The hon. Gentleman raises a number of points. He specifically mentioned the support that DFID is giving to those outside the camps; he will not be surprised to hear that we are working with partner organisations, non-governmental organisations and charities in Jordan and Lebanon, particularly outside the camps, to provide support directly to refugees.

On bringing about peace and stability, the Government’s objective is long-term stabilisation and humanitarian support. Last year, with the UN, DFID—the British Government—committed substantial resources to pre-preparedness for the Mosul offensive to ensure both that we could protect civilians, and that aid could be provided to people who needed it in light of the offensive.

The hon. Gentleman also mentioned the important and valuable role of the Government’s legislative and manifesto commitment to the 0.7% target. The Government have been unequivocal in continuing to support that target. On top of what we have been discussing as regards Iraq, Syria, Jordan, Lebanon and the wider region, a DEC appeal was launched today to address the four potential famines in Somalia, north-east Nigeria, South Sudan and Yemen. We should reflect on the fact that at times of humanitarian crisis, the 0.7% target demonstrates to those who are suffering persecution and displacement who we are as a country, our place in the world, the leadership we give and our response to those who are very much less fortunate than ourselves. That is what UK aid is about. It is about our place in the world, and it is in our national interest to continue doing what we do. Those of us in the House and UK taxpayers can all be proud of that work.

Finally, the hon. Gentleman mentioned resettlement schemes. Our resettlement schemes offer a safe and legal route to the UK for the most vulnerable refugees, and the British Government can be proud of what we have been doing to resettle refugees.

**Sir Desmond Swayne** (New Forest West) (Con): Well, I am certainly proud. What are the Government doing to support the programme of reform in Iraq that is so necessary for delivering peace by ensuring that liberated Sunni communities are embraced by the whole political economy of Iraq?

**Priti Patel:** My right hon. Friend, as a former DFID Minister, knows better than most the vital role that UK aid plays in the world, particularly in Iraq. In answer to his question, we have been pressing Iraqi leaders and stressing to them at every opportunity the importance of an inclusive political plan for stabilising and rebuilding the country. All groups have to be involved in that rebuilding and stabilisation. Of course, the UK Government and UK aid are providing all the support to reopen schools in east Mosul, and humanitarian assistance to displaced people across Iraq.

**Hilary Benn** (Leeds Central) (Lab): The whole House will welcome the progress on defeating Daesh in Mosul and elsewhere, and I join the Secretary of State in paying tribute to the bravery of all the forces, including our RAF pilots, who are engaged in that task.

The Secretary of State referred to the discovery of mass graves, and she will have seen the reports of the now infamous Khasfa sinkhole, which is said to contain thousands of bodies. What action is being taken to...
collect forensic evidence? Are we giving assistance? Such evidence will be important in calling to account those who have committed crimes against humanity, war crimes and genocide, and one way to defeat Daesh ideologically is to tell the truth about what it has done.

Priti Patel: I thank the right hon. Gentleman for his remarks about the starkness of what has taken place. We have to speak the truth and bring the facts about exactly what has been going on to light. He specifically asks what the Government are doing in this area. We are working with the UN and others on the investigations. All colleagues in the House will know that this is difficult and will take time. We have seen in the past the amount of time it takes to get the evidence to secure convictions for war crimes, but that does not mean we should shy away from doing this. The mass graves exist, and we already know the extent of the horrors and atrocities that have taken place. It is in all our interests to stand by those who have suffered or been silenced, to act on their behalf to bring about justice for the victims of these atrocities, and to show the world the appalling nature and conduct of Daesh and those who have been associated with them.

Crispin Blunt (Reigate) (Con): The Secretary of State referred to the Syrian Democratic Forces, with coalition air support, commencing operations against Raqqa. Will the Secretary of State inform the House of her assessment, and that of the National Security Council, of Turkish intentions towards the SDF, not least around Manbij? Will she also give her assessment of what Turkish engagement there will be in the political arrangements for the reconciliation around Mosul, not least given Turkey’s military presence in Bashiqa, and the recent discussions between President Erdogan and Masoud Barzani?

Priti Patel: I thank the right hon. Gentleman for his question. He will recognise and appreciate that we are working to bring all parties to the table, although we face difficult challenges in getting parties to come together. We have seen greater developments through the Astana process, and our priority is to support Staffan de Mistura to make sure that we can drive the right outcomes and get parties talking to seek the peaceful resolutions we desperately need.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I thank the Secretary of State for her statement, and particularly the strength of her point about our investment in Syria and Iraq being a fine example of UK aid at its very best. I wish to ask her about a specific issue: the mines around Mosul and de-mining. I understand that there is a real concern among internally displaced people in Iraq about going back to Mosul because of the mines. Co-ordination is essential, so will she say a bit more about international co-ordination and, in particular, about which Department is leading on this? Is it DFID, the Foreign and Commonwealth Office or the Ministry of Defence?

Priti Patel: I thank the hon. Gentleman for his comments. This is an important area, and I mentioned in my statement the importance and significance of de-mining. There is no doubt that we have to invest in it, so that we can return the land securely to the community and they can get on with their lives. The MOD is leading on this activity, but he will know, from discussions we have had on the significance and importance of de-mining, that from a development perspective we must support, fund and back it. I see this as a cross-Government initiative.

Sir Paul Beresford (Mole Valley) (Con): I thank my right hon. Friend for her statement, and I wonder whether she could extend this update geographically. I have an interest in a potentially large humanitarian action project going into Libya, so it would be of considerable interest to me if she could, either verbally now or in writing later, give me an update on the action being taken to remove Daesh and its fellow travellers from Sirte and its surroundings. What forces are taking that action?

Priti Patel: I thank my hon. Friend for his important question about Libya. A joint FCO and DFID team is working on the wider issues relating to Libya, which cover a range of things. Obviously, there has been a lot of activity and action not only around Sirte, but on dealing with some of the migration challenges we are facing. I will write to him so that we can give him the specific details on that cross-Government work, covering fully not only the DFID aspect, but the FCO aspect.

Ruth Smeeth (Stoke-on-Trent North) (Lab): I join colleagues in sending our thoughts and prayers to everyone on deployment, as well as to the Secretary of State’s staff and others who are on the ground delivering humanitarian aid. Will she update the House with the specifics of what we are doing to strengthen local democracy throughout Iraq, especially in the regions, to win the peace, as she says?

Priti Patel: I thank the hon. Lady for her remarks and for the support she and other Members have given to all the people delivering aid in difficult, challenging locations. A political process is obviously under way, on which the Foreign Office is leading. As I mentioned in the statement, the Foreign Secretary has been engaging with Prime Minister al-Abadi and the Iraqi Government on the political side. Linked to that is the wider work on stabilisation, which has to be integrated at every level, including all aspects of state building, nation building and the building of democracy and civil society, as well as some of the most basic things for the functioning of a society, such as infrastructure and the delivery of public goods and services. A great deal of work has taken place across Government, involving the MOD, the FCO and DFID, through the stabilisation team and the combined teams. We are advocating a combined and integrated approach, and we have to work with the Iraqi Government, because ultimately they are responsible for delivery.

Mr Stewart Jackson (Peterborough) (Con): The Secretary of State is quite right in what she has said, and I welcome her timely statement. I pay tribute not only to the compassion and humanitarian efforts of British citizens, but to the courage of our armed forces. On winning the peace, will my right hon. Friend undertake to work with the Home Office to ensure that British jihadists who return from Syria are properly de-radicalised, using a proper strategy, and that there will be the most
[Mr Stewart Jackson]
draconian efforts to deal with those who are not
de-radicalised, so that we can protect our constituents
and our country?

Priti Patel: My hon. Friend is absolutely right to
make that point. Everyone who returns, having been
involved in the conflict, must be subject to the right
kind of sanctions and be reviewed by the police to
determine whether they have committed offences. He
also raises an important point about our collective work
across Government. Everything that DFID, the FCO,
the MOD and the Home Office do to fight the forces of
terrorism is done in our national interest. That is why
our focus is on protecting not only those in Iraq and
Syria who are subject to Daesh’s atrocities, but our
citizens in this country, too.

Tom Brake (Carshalton and Wallington) (LD): In a
meeting earlier, members of the Iraqi Democratic
Movement stressed the need in Mosul to ensure: first,
that refugees are screened safely, in a transparent and
accountable way, to make sure there are no disappearances;
secondly, that electricity and other services are restored
as soon as possible, so that the internally displaced persons can return; and finally, that a high-profile UN
presence is deployed to provide reassurance to civilians.
What support can the British Government give on those
issues?

Priti Patel: The right hon. Gentleman is absolutely
right, and we agree with him completely about the
approach to refugees and the right kind of screening.
We need to get in resources, such as electricity and
water, for IDPs, so that they have all the essential
life-saving and humanitarian support they require. The
United Nations Development Programme is on the
ground and a great deal of work is taking place. I am
happy to write to the right hon. Gentleman with more
information about the collective work that is taking
place, because the British Government have cross-
Government resources in country. We spent time prior
to the Mosul offensive pre-positioning supplies and
support, and we are working with UN agencies
and our country?

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary
of State has referred to support for the Iraqi Government,
but is she also aware that there are hundreds of thousands
of Syrian Kurdish refugees in the Kurdistan region of
Iraq and, in addition, even greater numbers of internally
placed Iraqis, including many who have come from the
area near Mosul? As we liberate Mosul, there will be
a greater pressure on the Kurdistan Regional
Government. What specific help are the Government
giving today, and what help will they give in future to
the KRG authorities, because they sometimes have
difficulties with Baghdad?

Priti Patel: The hon. Gentleman is right to raise that
point. We have Ministers who are working directly with
the Kurdish Government, and support is going in to
help the refugees. Importantly, his point demonstrates
the extent of the crisis in the region, the level of displacement
that is taking place and the challenges that need to be
overcome.

Bob Stewart (Beckenham) (Con): May I ask my right
hon. Friend to give us an update on what is happening
in Aleppo? For instance, is British aid getting through
to the citizens of Aleppo at the moment?

Priti Patel: My hon. Friend will be well aware that the
Aleppo situation is still very difficult—quite frankly it is
traumatic and harrowing. There are grave difficulties in
getting aid into Aleppo. As I said in my statement, we
saw the atrocities and the extent of the pressures in the
area in December. That said, we are looking at every
single possible avenue that we can use to get aid not
only into Aleppo but into other besieged areas. That is a
continuing focus of DFID and of the wider humanitarian
community.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire)
(SNP): I am grateful to the Secretary of State for her
interesting statement, particularly in relation to the
work around children. What is being done to help
support and empower women to rebuild the civil society
of which she correctly speaks, and what support is
being offered on the ground to women and young
people so that they can resist the ongoing call to arms
from Daesh, which uses their desperation and their
need for cash?

Priti Patel: Many of our programmes, and a substantial
amount of our resources, are focused on women, children
and young people. We want to ensure that young people
have opportunities—and education is at the heart of
that—to prevent them from being subject to propaganda
and to manipulation by these evil forces in the region.
Our work is ongoing. We are working with civil society,
NGOs and third-party organisations in the region to
put the protections in place, because safeguarding and
security are paramount for women, children and young
people. As I have said, we also want to ensure that
children and young people have the opportunity to
access education and other schemes as well so that they
are not subject to the extreme propaganda of Daesh.
Mr Philip Hollobone (Kettering) (Con): How many UK nationals have joined, or attempted to join, Daesh in Syria and Iraq, and how many have been apprehended and prosecuted?

Priti Patel: I do not have that information to hand. I will investigate and see whether I can share that information with my hon. Friend.

Mr George Howarth (Knowsley) (Lab): I welcome the Secretary of State’s statement unreservedly. Does she agree that in a chronically unstable region, the presence of Daesh serves only to intensify the instability? Does she also agree that the only way to resolve the situation is not only to defeat Daesh militarily, but to defeat the perverted ideology it represents?

Priti Patel: The right hon. Gentleman is absolutely right. The objective has to be to defeat not only Daesh’s military capability on the ground, but everything it stands for—its ideology and the spread of hate and evil it perpetrates.

John Howell (Henley) (Con): I congratulate my right hon. Friend on her statement and on our success against Daesh in Syria. Has she looked at the impact of that success on the activities of Daesh in other parts of the world—for example, its support of Boko Haram in Nigeria?

Priti Patel: We learn lessons all the time and assess all activities. My hon. Friend gives me the opportunity to praise our armed forces—the RAF and others—who have been at the forefront of much of the work we have been discussing.

John Woodcock (Barrow and Furness) (Lab/Co-op): Further to the question from my right hon. Friend the Member for Knowsley (Mr Howarth) about the need to counter the ideology of jihadist Salafism, can the Secretary of State give more detail about the investment being made here in the UK and abroad, military and civil, in directly countering and enabling others to counter the narrative that is drawing in so many people? Will she make that strand a routine element of the updates the Government give in future?

Priti Patel: The hon. Gentleman is right that that is a matter of enormous importance to this Government and all others internationally who are fighting the forces of Daesh. In my statement, I said that the UK is heavily involved in coalition efforts on propaganda. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), will be in Washington next week at the counter-Daesh coalition conference, where the UK leads in this area, and he will be happy to report back and update hon. Members on progress. In addition, work is taking place here that is fundamental to countering Daesh’s propaganda.

Maria Caulfield (Lewes) (Con): I welcome my right hon. Friend’s statement, which highlights the sterling work being done by her Department and the UK Government as a whole, but may I ask specifically about the Yazidi women and children who have faced a campaign of genocide by Daesh? What help is being given to those who have managed to flee, as well as to the thousands who are still being held captive by Daesh?

Priti Patel: My hon. Friend highlights the atrocious conduct of Daesh. Of course we in this House squarely and fully condemn Daesh’s brutality against ethnic minorities. UK aid is distributed to all those my hon. Friend refers to, including members of minorities and Yazidi women and girls. We have touched on the subject a number of times in this House and we have all seen and heard about the horrors of the persecution of minorities and Yazidis. UK aid is very much focused on giving them support, and I think that is something we can all be incredibly proud of.

Anna Turley (Redcar) (Lab/Co-op): I appreciate the Secretary of State’s statement today. I want to ask about her statement that “We...are using our position in the UN Security Council and the International Syria Support Group to press the regime and its backers to allow aid to reach those who need it, and call for civilians to be protected.” Will she say more about what success we are having and what barriers and obstacles we are facing? Also, what are we doing with the £2.3 billion that is going in to Syria outside the support for refugees? What is actually reaching people in the country?

Priti Patel: The hon. Lady hits the nail on the head. We are working in a challenging situation. Basically, we need peace and stability to achieve the outcomes I described in my statement. We are using everything—every single ounce of capital we have—to lobby and influence, exactly as she would expect us to do. Our commitment to Syria has been substantial. Much of the £2.3 billion she referred to has been concentrated in the wider region, but we are also funding agencies and working with partners such as the World Food Programme and UNICEF, and the wide matrix of agencies, with which we have a strong working relationship, to provide life-saving support—food, water, shelter and medical supplies.

The situation is incredibly challenging. There are still people we cannot reach in besieged areas. Our No. 1 objective and priority is ensure that aid from the UK and from the whole international community reaches the people who have not seen any aid for not just weeks but months.

Robert Jenrick (Newark) (Con): Have the Government given any further consideration, since the House last debated the matter, to recognising the crimes against the Yazidis as a genocide? Are the Government willing to support a rehabilitation and recovery programme, such as the one that Germany has just launched, for Daesh survivors, particularly the Yazidis who are now resident outside Iraq? Following on from the question of the right hon. Member for Leeds Central (Hilary Benn), will the UK deploy its own forensics experts to examine those mass graves as soon as possible? It is not just about bringing people to justice; it is for the loved ones, from the Yazidi community and elsewhere, to be able to identify the bodies of those who have been killed.

Priti Patel: My hon. Friend raises important and significant points about the mass graves. We are already providing support to the investigations that are taking place. As I said earlier, the evidence collation is challenging and difficult. On genocide and the crimes of the persecution of Yazidis, we are working throughout the system to look into the horrors that have taken place. Of course,
the term “genocide” comes up against legal definitions but, as I have said, we will look at all aspects of this. The only way that we can defeat what has happened and address the horrors is by taking all the actions needed to call Daesh out and take the necessary steps forward.

Chris Evans (Islwyn) (Lab/Co-op): I thank the Secretary of State for her statement, and I associate myself with all the comments about our coalition forces and the aid workers working in very difficult circumstances in Iraq and Syria. It is good news that eastern Mosul has been liberated. No doubt, western Mosul will follow. Once it is liberated, along with Raqqa, there is no doubt that Daesh will not see this as the end of the caliphate. Many fighters will be returning to their home countries so, further to the question of the hon. Member for Peterborough (Mr Jackson), will the Secretary of State fill the House in on the conversations she is having with our international partners to ensure that those who return to their countries are not radicalised?

Priti Patel: The hon. Gentleman is right to raise this point. Of course, radicalisation is exactly why these individuals and organisations exist. This is a collective effort. As I mentioned, the counter-Daesh coalition is meeting next week. The issue is an ongoing part of discussions taking place not just across our Government, but within the international community. The objectives have to be to stamp Daesh out, and to end the radicalisation, propaganda, hate and evil that it is spreading.

Mims Davies (Eastleigh) (Con): I thank my right hon. Friend for the welcome update, her unstinting personal commitment to the cause, her Department’s work and all that the humanitarian co-workers and NGOs are doing on the ground. The news of the possible famine brings into focus our commitment to what we deliver in areas of need. Six years on, Syria remains heart-breaking to my constituents, who continue to write to me about the relief effort, but they would like us to push further on other countries’ commitments to doing the same in the area.

Priti Patel: My hon. Friend is absolutely right to mention the horrors of Syria on the sixth anniversary of the conflict, and the fact that others in the international community need to step up. As I said in my statement, the pledging conference in London last year was a great success and brought in great resources for Syria and the region, but the international community does need to step up. We are seeing famines and humanitarian crises around the world. I have been one of the first to call out and call on others to step up. Britain is out there already, providing support in Somalia, South Sudan, north-east Nigeria and Yemen, but we need to ask others to do more. We cannot deal with these challenges on our own, so the international community absolutely needs to step up.

James Berry (Kingston and Surbiton) (Con): Further to the previous question, the UK is one of only six countries, and the only G7 country, to meet the 0.7% aid commitment, and as with the 2% NATO commitment, we do that by making tough choices about public spending elsewhere. Will my right hon. Friend therefore confirm to those in doubt that it is by meeting that aid commitment that we are able to lead the way in helping civilians who are displaced and terrorised by Daesh?

Priti Patel: My hon. Friend is absolutely right. Britain stands tall in the world through our support and aid, but also through our first-class diplomacy, our commitment to NATO and our defence teams. When we see humanitarian suffering in crises around the world, Britain is leading the way and, as a result, others are following in terms of the commitments that they, too, are now making.

Graham Evans (Weaver Vale) (Con): I very much welcome my right hon. Friend’s statement and the work her Department does on behalf of the British people, as the second-largest donor to the region—second only to the United States. However, the United Kingdom is under severe threat of Islamic terrorist attacks, so will she join me in paying tribute to those security services that help to keep us safe and that have foiled 12 terrorist plots since September 2013?

Priti Patel: I thank my hon. Friend for his question and his remarks. He is absolutely right: we are protected in this country by amazing individuals in our security services. I also pay tribute to others around the world and to our armed forces for doing so much to counter the evil forces we have been discussing this afternoon.
Point of Order

4.16 pm

Alison Thewliss: On a point of order, Madam Deputy Speaker. You may be aware that, in just a few weeks' time, this heartless Tory Government plan to enact a pernicious two-child policy and medieval rape clause. With just 23 days until the policy comes into force, the hundreds of thousands of health professionals and social workers in the UK have not been given adequate sexual violence training, and nor has the necessary statutory instrument been laid before this House. Can you advise me on whether the Government have given any indication about whether they will bring one before the House, and when? If not, what options are available to me to bring Ministers before the House to account for this utterly appalling plan and lack of detail, which are causing considerable concern to women and public service workers across the UK?

Madam Deputy Speaker (Natascha Engel): I thank the hon. Lady for giving notice of her point of order. I understand that the Government have laid the regulations this afternoon and that these will be subject to the usual procedures—they are quite complicated, so she might want to come to talk to a Clerk. They are subject to a negative procedure, but it is open to the hon. Lady to pray against them and seek a debate. I would point out that it is business questions tomorrow, so she may want to raise this with the Leader of the House then. There is also always the Backbench Business Committee or an Adjournment debate as a possible option for her. I thank her very much for her point of order.

Network Rail (Scotland)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.18 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I beg to move,

That leave be given to bring in a Bill to require the transfer of land and assets in Scotland currently in the ownership of Network Rail Limited to a body nominated by the Scottish Government; to transfer responsibilities for the management of the land and assets transferred and for the management and accountability for rail infrastructure in Scotland to the Scottish Government; and for connected purposes.

If we are to provide a meaningful future for people, improve their lives, and help them to remain connected and be better connected with their friends and neighbours, the best way to make sure there are opportunities for social progress, to boost trade and to ensure people's unique circumstances are represented is to bring power as close to home as possible.

Nowhere is the opportunity for rapid benefit more evident than in the current situation with Network Rail in Scotland. Network Rail employees around Scotland work hard, but the organisation simply is not accountable for the work it is asked to undertake on behalf of the Scottish Government. Devolving control over Network Rail to the Scottish Parliament would improve the efficiency and effectiveness of railway operations in Scotland, saving around £100 million a year, and that is before the hundreds of millions in cost overruns are calculated.

Fifty-four per cent. of delay minutes in Scotland are directly attributed to Network Rail. Critical functions such as capacity planning, major project delivery, timetabling and legal property management functions therefore need to be devolved.

As I said, the Scottish Government fund Network Rail and set out its objectives, yet they cannot hold Network Rail to account for those objectives. It is a ridiculous situation that would not be accepted anywhere else and should not be accepted for the people of Scotland. An independent review of major rail projects concluded that there are fundamental weaknesses in Network Rail's delivery of major projects in Scotland. It highlighted a £379 million increase in project costs and exposed weaknesses in Network Rail’s project governance, controls and performance reporting. It also highlighted weak and inconsistent cost forecasting and, on top of that, significantly higher costs to comply with national standards.

The decision by the UK Government to sell off public assets in their relentless ideological drive toward further privatisation is the wrong track to take, and the Secretary of State for Transport will find no support for it from the Scottish National party. There is, however, one statement that he has made, underlining the challenges for railway development, that we can agree with. On 6 December last year, he said, when speaking about the Oxford to Cambridge line:

"Train companies take the blame for the problems of Network Rail—and Network Rail has little or no contact with passengers, and so has had little reason to focus on the best possible customer service. In my experience passengers don't understand the division between the two. They just want someone to be in charge. I agree with them. Report after report commissioned by the Government has pointed in the direction of a simpler railway, with less contracting complexity, and more localised decision making."
He added:

“Whether it’s planning essential repairs, putting in place improvements that can squeeze extra services in on a crowded route, or responding quickly to a problem on the network, our railway is much better run by one joined up team of people.”

The UK Government can sort this. The flashing warning light for us is this: if the controller feels this is the right approach to conduct for Cambridge and Oxford, why is it not right for Scotland?

That is not the only perhaps surprising view that we agree with. We also agree with the former Labour Transport Minister, Tom Harris, who called for Network Rail in Scotland to be fully accountable to the Scottish Government, saying:

“Instead, we need fundamental change to the governance of Network Rail. The Scottish Government is responsible for the strategic direction and funding of the Scottish rail network, but this responsibility cannot be properly exercised while Network Rail remains answerable to the UK Government. Reform Scotland believes that Network Rail in Scotland should be fully accountable to the Scottish Government, and that means it must be devolved.”

Devolution of Network Rail is the sensible and best approach. Transport is already devolved; it therefore surely follows that the management of rail infrastructure should also be devolved. No reasonable person, even in a domestic situation, would agree to commission works, agree to pay for those works, and then have no rights over the final cost or any comeback if it went beyond the agreed timescales—so why should Scotland? It is no surprise that the Secretary of State for Transport cannot sell the idea to the private sector. He is happy to indulge in the retrograde step and slippery slope of privatisation of Network Rail, in effect devolving it to the private sector, yet we are to be told that step is not available for the public sector in Scotland. Instead of making ill-judged and poorly thought out moves towards ever increasing privatisation for the UK’s railways, the UK Government should be giving power over Network Rail to the Scottish Parliament, which can then make decisions to improve the service in Scotland for the Scottish public.

There are challenges in Scotland with the rail network, but even being held back by the current arrangements, 92% of ScotRail’s trains arrive at their destination within the recognised punctuality measure—92%, compared with 87% on average across the rest of the UK. The SNP Scottish Government have ensured that fares are capped, and passengers travelling on both ScotRail’s peak and off-peak services have regulated fares. As a result, they are benefitting from the lowest level of increases since the selected powers were devolved in 2005. All of that proves that where powers reside in Scotland, a better deal for the Scottish public can be delivered. Customer satisfaction in Scotland is seven points higher than average in the rest of the UK, and that is a good foundation to build on.

We could take even greater steps to improve those figures if control was within the power of the Scottish Parliament. The former Labour Transport Minister agrees that devolving control over Network Rail to Scotland is the right move, and the Secretary of State for Transport clearly agrees with the principle, even if he is unwilling to apply it to Scotland, so why wait? All powers to make decisions on Scotland should be taken in Scotland, where we can plan better long-term outcomes. There should never be even the remotest possibility that we might be forced to swallow the bitter pill prescribed by some future Dr Beeching. We are still recovering from the resulting harmful and unnecessary surgery, as is best demonstrated by the rebuilding of the fantastic new Borders rail link. Of course, we should never have had to undertake that reconstructive surgery in the first place.

Scotland is a country teeming with talented people who can—if given the freedom to do so, with powers reclaimed in order to look after the interests of all of her citizens—deliver on a vision for a faker, better connected and inclusive society. The people of Scotland will have their voice heard on this issue and many others in due course. Scotland is at a junction: we can continue with the tired old Southern rail approach—in the rickety old carriage, with the glum passengers, without even a seat on the train and being ignored by those making the decisions—or we could choose to get off the one-way track into the buffers. With the powers to make choices in Scotland, starting now with those over Network Rail, we could plan a journey to a better, more open and more connected Scotland, a journey of discovery and potential realised for all who call Scotland their home.

Question put and agreed to.

Ordered,

That Drew Hendry, Alex Salmond, Jonathan Edwards, Mark Durkan, Michelle Thomson, Roger Mullin, Caroline Lucas, Stewart Malcolm McDonald, Alan Brown and Kirsty Blackman present the Bill.

Drew Hendry accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 155).

HEALTH SERVICE MEDICAL SUPPLIES (COSTS) BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A (7)).

That the following provisions shall apply to the Health Service Medical Supplies (Costs) Bill for the purpose of supplementing the Order of 24 October 2016 (Health Service Medical Supplies (Costs) Bill (Programme)):

Consideration of Lords Amendments

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at today’s sitting.

(2) The proceedings shall be taken in the following order: Lords Amendments Nos. 3, 1, 2 and 4 to 24. Subsequent stages

(3) Any further Message from the Lords may be considered forthwith without any Question being put.

(4) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(Mr Dunne.)

Question agreed to.
Health Service Medical Supplies (Costs) Bill

Consideration of Lords amendments

Madam Deputy Speaker (Natascha Engel): I must draw the House’s attention to the fact that financial privilege is engaged by Lords amendments 1, 2, 18, 19 and 21. If the House agrees them, I will cause an appropriate entry to be made in the Journal.

Before Clause 1

Duty to have regard to the life sciences sector and access to new medicines and treatments

4.29 pm

The Minister of State, Department of Health (Mr Philip Dunne): I beg to move, That this House disagrees with Lords amendment 3.

Madam Deputy Speaker: With this it will be convenient to discuss Lords amendments 1, 2 and 4 to 24.

Mr Dunne: I remind the House of the importance of this Bill. NHS spending on medicines is second only to staffing costs. The NHS in England spent more than £15 billion on medicines during 2015-16, a rise of nearly 20% since 2010-11. With advances in science and our ageing population, the costs will only continue to grow.

The UK has a lot to be proud of: we have a world-class science base and an excellent reputation for the quality and rigour of our clinical trials and the data they produce. The UK has one of the strongest life sciences industries in the world, generating turnover of more than £60 billion each year. Indeed, it is our most productive industry. The Government are deeply committed to supporting it to flourish and, in doing so, to provide jobs and transform the health of the nation.

In the 2016 autumn statement, an additional £4 billion of investment in research and development was announced, specifically targeted at industry-academia collaboration. We expect the life sciences industry to be a substantial beneficiary. That comes on top of measures such as the patent box and the R and D tax credits that the Government have introduced to encourage investment from innovative businesses.

That determined action is reaping rewards. The UK ranks top among the major European economies for foreign direct investment projects in life sciences. Last month, the Danish drugs company Novo Nordisk announced a new £115 million investment in a science research centre in Oxford. That comes on top of an additional investment of £275 million announced by GSK last June and AstraZeneca reaffirming its commitment to a £390 million investment to establish headquarters and a research centre in Cambridge—it is good to see the hon. Member for Cambridge (Daniel Zeichner) in his place. Looking ahead, Professor Sir John Bell, the regius professor of medicine at Oxford, has agreed to lead the development of a new life sciences strategy for the long-term success of UK.

At the same time, it is important that we secure better value for money for the NHS from its growing spend on medicines and other medical supplies. I remind the House that, overall, the Bill will do three things. First, it will enable us broadly to align our statutory scheme for the control of prices of branded medicines with our voluntary scheme, by introducing the possibility of a payment percentage for the statutory scheme. That could deliver £90 million of savings annually for the NHS. Secondly, the Bill will give us stronger powers to set the prices of unbranded generic medicines if companies charge unwarranted prices in the absence of competition.

Thirdly, the Bill will give us stronger powers to require companies in the supply chain for medicines, medical supplies and other related products to provide us with information. We will use that information to operate our pricing schemes, to reimburse community pharmacies for the products they dispense and to assure ourselves that the supply chain of specific products provides value for money for the NHS and the taxpayer.

During the Bill’s passage through the other place, the Government tabled 23 amendments, following debate and discussion in this House and with peers. I firmly believe that those amendments make it a better Bill. However, I will start with Lords amendment 3 and set out the reasons why it does not improve the Bill.

Lords amendment 3 would introduce a duty on the Government, in exercising their functions to control costs, to have “full regard” to the need to “promote and support a growing life sciences sector” and the need to ensure that patients have access to new medicines. The amendment would undermine one of the core purposes of the Bill by hindering the ability of the Government to put effective cost controls in place. Controlling the prices of medicines cannot, in itself, promote the interests of the life sciences sector and deliver growth. Having such a requirement in legislation could encourage companies to bring legal challenges where the cost controls have not, in themselves, promoted growth in the life sciences industry. That could significantly hinder the Government’s ability to exercise their powers to control costs effectively.

For example, if the Government were to take action to control the price of an unbranded generic medicine, because it was clear that the company was exploiting the NHS—several examples of that have been raised throughout the Bill’s passage through this House—it could be argued that that action did not promote the life sciences sector, because every generic drugs manufacturer could argue that it is a life sciences company. Nevertheless, that would, of course, be the right thing to do for the NHS, for patients and for taxpayers. Lords amendment 3 would enable companies to challenge any action by the Government to control costs by arguing that proper regard had not been paid to supporting a growing life sciences industry. The amendment would therefore make it more difficult to control costs, including where companies seek to exploit the NHS over and above the interests of patients, clinicians and taxpayers.

I say gently to those on the Labour Benches that it is ironic that they talk tough on the pharma companies, which they claim in other forums routinely seek to exploit the NHS, when today they are arguing the cause of the industry by supporting an amendment that would provide it with a legal stick with which to challenge the NHS when it seeks to control the costs of drugs, some of which, as they acknowledge, are exorbitantly priced. I therefore have to ask the hon. Member for Ellesmere Port and Neston (Justin Madders): whose side is Labour on?
The Government are seriously concerned that Lords amendment 3 has the potential to impact negatively on our ability to control costs. I do not expect that that was the aim of well-intentioned Members in the other place. I hope both Houses agree that it would be damaging to the NHS if, on every occasion that the Government deem it necessary to use their powers to control costs, the Government could be challenged for failing to give full regard to the interests of life sciences companies.

The second part of Lords amendment 3 requires the Secretary of State to have full regard to the need for NHS patients to benefit from swift access to innovative medicines that have been recommended by the National Institute for Health and Care Excellence through its technology appraisals. However, NHS commissioners are already legally required to fund drugs and other treatments recommended in NICE technology appraisal guidance, normally within three months of final guidance. The Secretary of State’s power to control costs is a completely separate process. Therefore, this part of the amendment would not achieve anything.

Mr Dunne: My hon. Friend is right to point out that NICE is considering today in its board meeting thresholds for the introduction of new medicines. What I would not do, however, is share his concern that it will necessarily lead to delay in their take-up. In essence, it will provide NHS England with greater commercial flexibility to negotiate with drugs companies that propose to introduce a drug that may cost more than £20 million in a full year. It will give NHS England more time to negotiate with companies a lower price with the pharma company. That should not, in and of itself, lead to either delay or necessarily prevent the roll-out of new medicines. Does he share my concerns, particularly in relation to cancer drugs?

Dr Andrew Murrison (South West Wiltshire) (Con): The Minister is of course absolutely right on the primacy of NICE in this matter, but today the NICE board will be imposing a budget threshold of £20 million a year, which would have the effect of at least delaying or possibly preventing the roll-out of new medicines. Does he share my concerns, particularly in relation to cancer drugs?

Bob Stewart (Beckenham) (Con): I want to ask a layman’s question: if NICE approves a drug, is the NHS necessarily required to buy it?

Mr Dunne: The short answer is yes, it is. That is set out in the NHS constitution. The measures considered by the NICE board today provide some additional flexibility for NHS England in its handling of negotiations with the drugs companies over the introduction of new technology.

Let me conclude on amendment 3 by saying that the Government strongly believe that it would have a negative impact on the Government’s ability to operate price controls, so I ask Members to disagree with it.

I will deal briefly with the other amendments. Lords amendments 1 and 2 and amendments 4 to 24 were made in the other place. They are all amendments that the Government brought forward, having worked constructively with parliamentarians on improving the Bill.

Amendments 1 and 2 relate to the remuneration for persons providing pharmaceutical services in England and Wales respectively. The amendments provide for new regulation-making powers in respect of special medicinal products. These are unlicensed medicines that can be manufactured or imported to meet a patient’s needs when no licensed product is available.

The unique nature of specials—the hon. Member for Central Ayrshire (Dr Whitford) mentioned them during our consideration in this place—and their manufacturing arrangements mean that we need to do more to ensure that the prices paid by the NHS represent value for money for all these products. These amendments would enable England and Wales to develop options that will secure improved value for money—for example, by using a quotes system that has been trialled in Scotland, but there are also other options. We will consult the community pharmacy representative body on how best to take this forward.

Amendments 4 to 7 introduce a consultation requirement on the Government with regards to medical supplies. Again, the hon. Member for Central Ayrshire helpfully pointed out that such a requirement was in place for medicines, but not for medical supplies. I thank her for engaging with me and my officials, which has helped to improve the Bill.
The Government have listened to concerns in the House of Lords and in this House about the Government's power to control the prices of medical supplies. These amendments would ensure that the first order to control the price of any medical supply would be subject to the affirmative procedure, giving both Houses an opportunity to discuss that order.

Amendments 8 and 9 and 15 to 17 are amendments to the information powers in the Bill. Responding to concerns from industry about the potential burdens of the proposed information power, they introduce an additional hurdle for the Government to obtain information by requiring them to issue an information notice whenever they require companies to provide cost information related to individual products, which can be appealed by the company concerned.

**John Redwood** (Wokingham) (Con): One problem in coming to a fair price for a new drug—we want to reward the company for its innovation, but without being ripped off—is knowing what kind of production run or demand there might be for it. Is there any way that the NHS could get better at forecasting what its volume might be, as that might drive the price down?

**Mr Dunne**: As ever, my right hon. Friend, who is a champion of market solutions to some of these tricky problems, lights on an important point. We need to be better at trying to predict the take-up of medicines. Of course, until a new medicine has been introduced, it is very difficult to assess that, because it requires clinicians to get behind the product and to choose to prescribe it. He is absolutely right that we need to look at the way in which we model in order to have a negotiation with the pharmaceutical company that ensures that we build in as good a volume as we are expecting to maximise our prospects of getting the best price.

Let me return to Lords amendments 8, 9 and 15 to 17. When the Government ask a company to provide straightforward information about prices and other transaction costs or overall costs, there is no need for an information notice. The rationale is that there could be a significant burden on companies to provide product-level cost information. Any such request should be made only in exceptional circumstances—for example, in order to set the price of an unbranded generic medicine, when the Government would need insight into the costs and profits associated with the specific product.

4.45 pm

Lords amendments 10 to 14 were intended to reflect the report from the Delegated Powers and Regulatory Reform Committee in the other place, which considered that the power to prescribe in regulations that any person other than the Secretary of State or Welsh Ministers could disclose information was too wide. Lords amendments 10, 13 and 14 specify health service bodies and NHS foundation trusts. In respect of other amendments made to the NHS (Wales) Act 2006, the Committee thought that the penalties that Welsh Ministers could impose for non-compliance should be included in the Bill and not left to regulations, and that is what amendments 11 and 12 would achieve.

Lords amendments 18, 19 and 20 are consequential amendments relating to the extent of the Bill. Lords amendments 21 to 24 are partly consequential, and partly provide for flexibility to allow the provisions to come into force in Northern Ireland at a later stage if necessary. Unfortunately, as Members will know, the Northern Ireland Assembly did not debate the first legislative consent motion on the Bill before it was dissolved.

I believe that those Government amendments, built on engagement with Members of both Houses and with industry, will help to improve the Bill further.

**Justin Madders** (Ellesmere Port and Neston) (Lab): I support the Lords amendments. I believe that they will improve the Bill significantly, and that they draw on many of the points that Opposition Members made during its earlier stages.

When I was asked to lead the debate for the Opposition—it was the first time that I had done so on a Government Bill—I was assured by my colleagues that this Bill was relatively short, but by comparison with the legislation that we passed on Monday, it strikes me as something of an epic. I only hope that we have more success today than we did on Monday with the amendments that were passed in the other place. As with that other Bill, however, the length of this Bill should not in any way detract from its importance. The exploitation of loopholes by a small number of unscrupulous companies left the Government with no option but to act, and we agree with the thrust of the Bill. We welcome the Lords amendments, both those that the Government are supporting today and the amendment relating to a duty to have regard to the life sciences sector and access to new medical treatments.

Let me first deal with the matters on which there is agreement. Lords amendments 1 and 2 relate to special medicinal products. They will do much to improve the reimbursement for specials, given that the current arrangements are in many cases failing to secure value for money for the taxpayer. As the Minister will know, there is a significant price variation between hospital and community care, with the result that many patients are currently denied access to some specials. The amendments could lead to significant savings throughout the NHS by introducing a more cost-effective whole-market procurement system, as well as having the potential to improve access to treatments. I am pleased that there now appears to be cross-party consensus that action is needed. However, I would welcome confirmation from the Minister that any savings made as a result of the amendment will be used to improve access to specials and other new treatments, rather than simply being returned to general budgets.

We also support Lords amendments 4 to 7, which relate to medical supplies. They add a much-needed duty to consult before introducing secondary legislation to control the prices of medical supplies. That goes some way to addressing widespread concerns throughout the sector about the failure to engage before measures relating to medical supplies were introduced in the Bill. Lords amendment 7 would subject the first order to control the prices of medical supplies to the affirmative procedure. That means that if the Government wanted to introduce a new pricing scheme, they would have to convince Parliament that there was a case for doing so.

When we last debated these issues, concerns were expressed that the Government were asking us to give them powers in respect of medical supplies, but were not in a position to tell us how they might be used. The
amendment does much to allay those concerns by giving a further opportunity for challenge should Ministers wish to exercise those powers. We are pleased that the Government have given some ground in that regard.

We also welcome Lords amendments 8 to 10, which introduce a trigger mechanism for information-gathering powers. These amendments make it clear that the Government would be required to issue an information notice before they could collect certain types of information. Amendment 9 sets out in detail what information would need to be provided, as well as the related form, manner and timings. Importantly, it would also introduce a right of appeal for those served with an information notice. This again goes some way towards resolving the concerns that we set out in this place about the potentially onerous effect of the new information-gathering powers.

Lords amendments 11 to 14 relate to the provision of information to Welsh Ministers and stem from the recommendations of the Delegated Powers and Regulatory Reform Committee in the other place. We welcome these measures, which I understand also have the support of the Welsh Assembly. We also support the remaining amendments, which are consequential.

That leaves us with amendment 3, which would introduce a duty on the Government when implementing the legislation to have regard to the life sciences sector and access to new medicines and treatments. This measure received cross-party support in the other place and I am disappointed that the Government intend to oppose it today.

We strongly support the core of the Bill, which seeks to close loopholes and to secure better value for money for the NHS from its negotiations with the pharmaceutical sector. However, if amendment 3 does not form part of the final legislation, the Bill will be looked upon as a missed opportunity.

The likely departure of the European Medicines Agency raises extremely worrying questions about the future of the life sciences and the pharmaceutical industry in this country. It is reported that up to 20 other countries are now queuing up to host it after it leaves these shores. That shows just what an attractive proposition it is for those looking to say to the sector, “This is a place to invest in.”

We have the strategic disaster of the EMA going against a backdrop of the sector’s investment in R and D already falling in recent years. Between 2003 and 2011 there was significant growth in spending in this area, eventually reaching a peak of £5 billion. However, by 2014 that had fallen to £4 billion, a reduction of 20% in just three years. We are extremely concerned that the potential loss of the EMA could see this figure fall back even further.

Over the last six years, we have ended up with the worst of all worlds: falling investment in R and D by the pharmaceutical industry and appalling rationing of treatments, leaving patients unable to access a range of medicines and treatments unless they have the means to pay for them privately. Members on both sides are beginning to find it ever more frustrating that when increasingly crude and arbitrary rationing is raised, the response from the Minister is often to agree with the concern, but simply to say that it is a matter for the individual clinical commissioning group in question. How many more times will Ministers sit and listen to huge concerns from every area of the country about treatment being denied to people in desperate situations before they finally accept that the unprecedented levels of rationing are not the consequence of a series of decisions that are unconnected and remote from Government, but a direct result of the systematic underfunding of the health service for the past seven years?

Daniel Zeichner (Cambridge) (Lab): Does my hon. Friend agree that some of the debates in Westminster Hall and the concerns expressed by Members across the House have been prompted by the fact that the resources for new treatments have not become available in the way that was expected because, as the Secretary of State admitted, although the large amount of rebate from the pharmaceutical sector goes to the NHS, it is not being used specifically for new treatments?

Justin Madders: My hon. Friend is right to express that concern. We do not really know where this rebate has ended up, but all Members know from their personal experiences and our debates that across the board rationing is reaching unprecedented levels, particularly for new and innovative treatments. This is not just a manifestation of the financial straitjacket the health service currently operates in, nor is it just a disaster for individual patients, nor is it just an abrogation of the Minister’s responsibility to uphold the fundamental principles of the NHS; it is also a direct threat to the future prosperity of our life sciences industry. In answer to the Minister’s question about whether we are on the side of patients, I say we absolutely are. Proposed new clause 3(b) makes it very clear that we are on the side of patients, and in particular their ability to access new and innovative treatments.

It is impossible to look at the health of the pharmaceutical sector in this country without considering the central issue of access to treatments. The UK is home to about 4,800 life sciences companies and it continues to have the largest pipeline of new discoveries anywhere in Europe. We are all rightly proud of that. However, the fruits of this innovation are increasingly being enjoyed by patients in other parts of the world before NHS patients can benefit. For every 100 European patients who can access new medicines in the first year they are available, just 15 UK patients have the same access. How can anyone look at that and not say that something is going badly wrong?

As I set out in previous debates on the Bill, a recent report by Breast Cancer Now and Prostate Cancer UK showed that NHS cancer patients are missing out on innovative treatments that are available in any other comparable country to the UK. That should surely shame us all, and it looks as though the situation will get worse. A number of cancer charities estimate that the proposals by NICE to introduce a budget impact threshold could affect one in five new treatments. With one of the options available being a longer period for a phased introduction, the worry is that more patients will be denied access to those critical treatments. I thought that this Bill was meant to be the mechanism by which the cost of drugs would be controlled. Can the Minister explain the flaws in the proposed new pharmaceutical price regulation scheme that make this extra method of cost control necessary?
A debate in this place a few weeks ago drew attention to a number of breast cancer drugs, including Kadcyla, Palbociclib and Perjeta, that might no longer be funded due to changes to the cancer drugs fund. Those are but three examples. Media analysis by the King’s Fund found that there were 225 stories relating to rationing of services in 2016, compared with 144 in 2015 and 86 in 2011. There is clearly a trend developing and we need to reverse it.

We do not have much time today, so I shall draw my remarks to a close by reminding the House that this debate touches on many important issues that are all interlinked—three of them in particular. The first involves securing better value for the NHS; the second involves ensuring full and rapid access to treatments for NHS patients; and the third involves the need to support and promote our life sciences sector. The Government will not achieve any of those aims unless they adopt the right approach to all three. The Bill aims to put in place a system that will deal with the first of those aims, which we support. The amendment that we support today seeks to send a clear message to patients and to industry that the Government consider the other two elements equally important. That is why we are so disappointed that they are not prepared to listen to the overwhelming view expressed in the other place and support that amendment. I urge the Minister to reconsider.

Dr Morrison: I shall speak briefly to Lords amendment 3, but first I chastise the hon. Member for Ellesmere Port and Neston (Justin Madders), if I may, for his remarks about money. He is right to say that this is all about money, but I seem to remember that less than two years ago, he stood for election on a manifesto that would have had the effect of opposing the money that is currently going into the national health service, so we should not take any lessons from the Labour party on financing the NHS.

The Government are absolutely right to oppose this amendment. It looks a bit like a probing amendment, to be honest, and I am a bit surprised that it has got this far. It would subject this very good Bill to a whole shedload of judicial review. It would be a lawyers’ beanfeast. It bewilders me that people in this House who argue that the NHS needs more money, which it most certainly does, should support such a proposal when all the money would be going into the pockets of lawyers.

NHS England must fund any new drug found to be cost-effective by NICE within 90 days of that approval. This afternoon, the NICE board will approve this new measure, which will establish a budget impact threshold of £20 million. The hon. Member for Ellesmere Port and Neston is right to say that about one in five drugs will probably be within scope of the measure, and that is a cause for concern. Patients in the UK do not enjoy the full range of advanced medicines that are reckoned to be more or less routinely available in countries with which we can reasonably be compared—or if they do, they usually find that they are subject to unwarranted delays before they are treated. That is of course critical in the case of conditions such as cancer, and could well mean the difference between life and death; it will certainly mean a whole load of difference in quality of life. It is vital that we do nothing that would extend that process.

In response to my earlier intervention, the Minister gave me sufficient reassurance that the delay that the measure would introduce would be small, and that this would be an opportunity for NHS England to negotiate a lower price for these very expensive medicines. Indeed, that is the intention. Given that, I am more than happy to support the Government on this. However, any delay at all will send a signal to those in the life sciences sector; it is important that we make it clear that this will not introduce unwarranted delays in the introduction of new medicines, because frankly that would put them off. A lot of worthy work has been done recently, which has involved spending a lot of money, to support a vital part of our economy, and it would be a great pity if anything in the Bill reduced our life sciences sector’s ability to prosper in the years ahead.

5 pm

It is vital to ensure that we roll out novel medicines much faster. It is wholly unacceptable that many products that are routinely available in western Europe are not available in the UK within a reasonable timeframe. It is hardy surprising that healthcare outcomes for common forms of disease in this country lag behind those in countries such as France, Germany and the Netherlands. I hope that the Bill will go some way to ensuring that we spend our moneys as effectively as possible and will start to narrow that gap, but we must ensure that medicines are rolled out rapidly once they are approved by NICE on a cost-effectiveness basis.

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, welcome the principle of the Bill. We have discussed it in a lot of detail as it has gone through Parliament, and the legislative consent motion was passed by the Scottish Parliament last month. I welcome the fact that the Minister listened to our previous discussions, and I therefore welcome Lords amendment 1, which deals with specials—individually produced medicines, usually within dermatology. While the numbers involved may be small, the costs are often eye-watering. In Scotland, that process is controlled through a procurement method, but it was certainly clear that NHS England was simply being ripped off, and I am glad to see that that is being addressed.

I also welcome Lords amendment 6, which will bring in, as I suggested, a consultation on how to maintain the quality of products. We discussed surgical gloves as a perfect example. People talk about quality marks, but they are often simply manufacturing quality marks, not necessarily a mark of suitability for the task. The Medicines and Healthcare Products Regulatory Agency could be involved, or there could be some other process, but it is important that we do not drive down quality by trying to drive down price.

The main thing that we are discussing is the Government’s plan to disagree with Lords amendment 3, which would insert a new clause. The NICE board is today discussing this extra layer behind NICE. We are talking about drugs that NICE has already decided are cost-effective, and giving NHS England the ability to delay them further without negotiation. The amount of antivirals such as sofosbuvir for hepatitis C that hepatologists can prescribe is rationed, even though we know that the most important group to treat are those who are well—not
those who are almost bed-bound or near the end of life with cirrhosis—because they are the ones out in society spreading hepatitis C to other people.

It is important to consider the delay, which has two aspects. The first relates to very expensive drugs, which are usually for rare diseases. Looking back, almost none of the drugs that have got through in recent years would pass the new limit. Secondly, the total of £20 million means that regardless of how effective a drug is, perhaps for a common disease, it would not get through. If someone comes up with a wonder drug for type 2 diabetes, it would hit the slowing mechanism if it cost more than £20 million because of the sheer number of people that we would be dealing with.

The hon. Member for Ellesmere Port and Neston (Justin Madders) mentioned the impact of our withdrawal from the European Medicines Agency, but while he focused on the impact on the pharmaceutical industry, the impact on the patient is much bigger. Drugs are launched in America and Europe due to the sheer scale of the market, and countries such as Canada and Australia wait longer. The UK will also wait a little longer because we will no longer be part of a market of 500 million people.

The UK may also be seen as a hostile market, because it takes three to five years for cancer drugs to get into the NHS. As other doctors in this place will know, our patients face a delay in accessing new drugs, and anyone who thinks otherwise is fooling themselves. Pharmaceutical companies will simply think, “Well, we’re not going to get into the NHS for five years, so let’s go and do Australia and Canada. We’ll come back and deal with the UK later.” That delay to licensing in the UK would be a real problem, and it would extend to Scotland, too, because at the moment licensing is a UK-wide process. The drugs would therefore not be available to us outside the European Medicines Agency.

This issue is also important to UK research. If we fall so far behind that we do not use what is considered standard treatment, we will not be able to take part in trials of standard plus new. There is an absolute need to control the cost of drugs, but perhaps we need different discussions with pharmaceutical companies about how drugs come on. We need something more radical than this to find the sweet spot between the companies getting a return on their money, the NHS controlling the cost and patients getting access.

We also need to think about realistic medicine. Not every patient even wants access to the newest chemotherapy, and perhaps we need some hard discussions, and to be much more open with patients about what a drug will and will not do.

**Question put,** That this House disagrees with Lords amendment 3.


**Division No. 185**

[5.6 pm]

**AYES**

Bacon, Mr Richard  
Baker, Mr Steve  
Baldwin, Harriett  
Barclay, Stephen  
Bellingham, Sir Henry  
Benyon, rh Richard  
Beresford, Sir Paul  
Berry, Jake  
Berry, James  
Bingham, Andrew  
Blackman, Bob  
Blackwood, Nicola  
Bone, Mr Peter  
Borwick, Victoria  
Bottomley, Sir Peter  
Bradley, rh Karen  
Brady, Mr Graham  
Brazier, Sir Julian  
Bridge, Andrew  
Brine, Steve  
Buckland, Robert  
Burns, Conor  
Burns, rh Sir Simon  
Burrowes, Mr David  
Burt, rh Alistair  
Gains, rh Alun  
Carmichael, Neil  
Cartledge, James  
Cash, Sir William  
Caulfield, Maria  
Chalk, Alex  
Chishti, Rehman  
Chope, Mr Christopher  
Churchill, Jo  
Clark, rh Greg  
Cleverly, James  
Clifton-Brown, Geoffrey  
Coffey, Dr Thérèse  
Collins, Damian  
Colville, Oliver  
Costa, Alberto  
Courts, Robert  
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  
Donelan, Michelle  
Double, Steve  
Dowden, Oliver  
Doyle-Price, Jackie  
Drax, Richard  
Drummond, Mrs Flick  
Duddridge, James  
Duncan, rh Sir Alan  
Duncan Smith, rh Mr Iain  
Dunne, Mr Philip  
Ellis, Michael  
Ellison, Jane  
Ellwood, Mr Tobar  
Eppichie, Charlie  
Eustice, George  
Evans, Graham  
Evans, Mr Nigel  
Evennett, rh David  
Fabricant, Michael  
Fallon, rh Sir Michael  
Fernandes, Suella  
Field, rh Mark  
Foster, Kevin  
Fox, rh Dr Liam  
Francois, rh Mr Mark  
Frazer, Lucy  
Frewer, Mike  
Fuller, Richard  
Fysh, Marcus  
Gale, Sir Roger  
Gauke, rh Mr David  
Ghani, Nusrat  
Gibb, rh Mr Nick  
Gillan, rh Mrs Cheryl  
Glen, John  
Goodwill, Mr Robert  
Gove, rh Michael  
Graham, Richard  
Grant, Mrs Helen  
Gray, 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  
Harrison, Trudy  
Hart, Simon  
Hayes, rh Mr John  
Heald, rh Sir Oliver  
Heappey, James  
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  
Jackson, Mr Stewart  
James, Margot  
Javid, rh Sajid  
Jayawardena, Mr Ranil  
Jenkin, Mr Bernard  
Jenkyns, Andrea  
Jenrick, Robert  
Johnson, Dr Caroline  
Johnson, Gareth  
Johnson, Joseph  
Jones, Andrew  
Jones, rh Mr David  
Jones, Mr Marcus
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Arkless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Betts, Mr Clive
Blackford, Ian
Blackman, Kirsty
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brahe, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Corbyn, rh Jeremy
Cowan, Ronnie
Crausby, Sir David
Creagh, Mary
Creasy, Stella
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Esterson, Bill
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Ferrier, Margaret
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Fitzpatrick, Jim
Fiell, Robert
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Flynn, Paul
Foxcroft, Vicky
Furniss, Gill
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Godsiff, Mr Roger
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Hanson, rh Mr David
Harman, rh Ms Harriet
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Howarth, rh Mr George
Huq, Dr Rupa
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Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
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Question accordingly agreed to.
Lords amendment 3 disagreed to.
Lords amendments 1, 2, and 4 to 24 agreed to, with Commons financial privileges waived in respect of Lords amendments 1, 2, 18, 19 and 21.

Ordered. That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendment 3;

That James Berry, Judith Cummins, Mr Philip Dunne, Justine Madders, Mark Spencer, Maggie Throup and Dr Philippa Whitford be members of the Committee;

That Mr Philip Dunne be the Chair of the Committee;

That three be the quorum of the Committee;

That the Committee do withdraw immediately.—(Guy Opperman.)

Committee to withdraw immediately: reasons to be reported and communicated to the Lords.

NATIONAL CITIZEN SERVICE BILL [LORDS] (PROGRAMME) (NO.2)

Ordered,

That the Order of 16 January 2017 (National Citizen Service Bill [Lords] (Programme)) be varied as follows:

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

(2) Proceedings on Consideration and proceedings in Legislative Grand Committee shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order.—(Guy Opperman.)
National Citizen Service Bill [Lords]

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

Clause 1

NATIONAL CITIZEN SERVICE TRUST

5.21 pm

Nicky Morgan (Loughborough) (Con): I beg to move amendment 1, page 2, line 2, insert—

“(c) In carrying out its functions under this Act, the NCS Trust may not act in a manner which has the effect of preventing a young person from working as a volunteer on a heritage railway or tramway as part of a programme which is provided or arranged by the NCS Trust.”

Amendment 1 is the sole amendment to the Bill. Let me say for the benefit of the House, the Clerks and the Whips that I do not intend to push this amendment to a vote. I also want to put on record my full support for the National Citizen Service and for this Bill. It is something that benefits young people enormously. I hope that more and more young people in this country will take part in the NCS. It is about not just how much money we spend on it, but the skills, the experiences, the friendships and the breaking down of barriers. It has been a pleasure to meet NCS groups in my own constituency and to see them in action.

I also want to declare my interest as chair of the all-party group on heritage rail and as a representative—as Member of Parliament for Loughborough—for the Great Central Railway based in my constituency.

I thank both the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Reading East (Mr Wilson), for the conversations that I have had with him about this amendment, and the Minister for Disabled People, Health and Work for offering to meet me and Lord Faulkner next week on the substance of this amendment, which is why I will not detain the House for too long this afternoon. I also thank the Health and Safety Executive, who have offered a meeting as well.

There are more than 200 heritage railways in this country, offering volunteering and work experience as well as contributing hugely to our local economies and to the tourism infrastructure in this country. The leading counsel advised the Heritage Railway Association last year that activities involving children are unlawful by virtue of a statute passed as long ago as 1920. The Employment of Women, Young Persons and Children Act 1920 expressly excludes the employment of children in an industrial undertaking. The definition of “industrial undertaking” includes railways and “child” is now defined by section 558 of the Education Act 1996 in effect to mean a person who has not yet reached 16. It had long been assumed that “employment” had its usual meaning of work under a contract of employment, but counsel advised that it extends to include work carried out in a voluntary capacity. The basis for his interpretation is the Education (Work experience) Act 1973. That Act, which is re-enacted as section 560 of the Education Act 1996, provided for children aged 14 to 16 to undertake hands-on work experience as part of their education. Although children undergoing such experience do so voluntarily, without payment, Parliament thought it necessary expressly to disapply the provisions of the 1920 Act to enable work experience to take place. By implication, therefore, it was considered that the 1920 Act otherwise extended to voluntary work performed by children in an industrial undertaking.

In this scenario, an entirely laudable motive in 1920, to stop women, young people and children being exploited, now stops an activity that we as a society and a country deem to be worthy. In my example, that is volunteering by young people on a heritage railway, from which they gain experience of work and working as part of a team, and often they are inspired to take up engineering or other customer service and retail opportunities. It seems that the only way around this anomaly is to change the law, hence the amendment tabled in the other place by Lord Faulkner. I have now picked up the baton in this House.

Although not changing the 1920 Act stops National Citizen Service participants falling foul of that law, this demonstrates why the law should be changed. The amendment in no way cuts across the need to safeguard young people who will be working or volunteering in heritage railways, or perhaps in other industrial heritage settings.

Mrs Flick Drummond (Portsmouth South) (Con): We have a huge heritage site in Portsmouth dockyard. Does my right hon. Friend agree that that may be a problem if the Bill is not amended?

Nicky Morgan: A number of heritage sites could fall within the definition of industrial undertaking, such as shipyards and railways. I believe that canals and waterways were mentioned in the debate in the other place. When we see anomalies that are clearly a nonsense in the 21st century and we have the opportunity to correct them, this House has a duty to try to do so.

I do not expect the Minister to accept the amendment today or to commit to changing the law, but I will listen with care to his response to this debate and during my meeting with my hon. Friend the Minister for Disabled People, Health and Work next week. I hope that in due course the House can resolve the legal logjam. Those of us who want young people to be able to volunteer in industrial undertakings and gain vital skills will continue to press the case.

Mr Speaker: The question is that the amendment be made.—[Interruption.] I do not know whether the flickering lights are an effect of the right hon. Lady’s oration—it would be uncharitable of me to think so—or of my standing up. Who knows?

Mr David Nuttall (Bury North) (Con): I rise briefly to support the amendment tabled by my right hon. Friend the Member for Loughborough (Nicky Morgan), and I thank her very much for the work she does for the all-party parliamentary group on heritage rail.

Bury is home to the East Lancashire railway. We are not connected to the railway in any other way, but we do have what I think is the best heritage railway in the country.—[Interruption.] I may have started a separate debate on that. Suffice it to say that the railway is an enormous attraction to the town. People come from all over to take part in the special activities that are run, particularly at weekends. The railway is well known in the town as a magnet for tourists and rail enthusiasts.
I was particularly concerned when I saw the amendment because, to be honest, I was not aware that there would be any problem. I have visited—on two occasions last year, if I recall correctly—young people taking part in the National Citizen Service. They were taking part in a ‘Dragons’ Den’-type exercise, bidding for funds to carry out good work in the community. I was on the panel with others, listening to the bids, which the young people put forward very professionally. It never occurred to me that young people would not be able to be placed with the East Lancs railway, which is a charity and one of the largest volunteer groups in Bury.

I can understand why the legislation to protect women and young people from dangerous activities was passed back in 1920. I think we can forget the part about women nowadays, because we send women into active service and there is no reason why they should be protected in this respect; they can look after themselves. However, I do accept that young people need protection. I am not trying to suggest that they do not. I also accept that there are aspects of the railway that young people would need special supervision for, but I am sure that that could be provided for in the National Citizen Service scheme and in the risk assessment that the service undertakes for all placements.

I particularly want to put on the record the fact that a wide variety of tasks can be undertaken on heritage railways, and in no way can they all be described as dangerous. There are all sorts of administrative and clerical roles. One only has to look at the long list of tasks undertaken by a heritage railway to see that there is plenty of scope for a young person or a group of young people who are interested in serving the community to get involved. That is particularly important in Bury. The East Lancs railway has a retail outlet, so there are sales and retail opportunities. There is also work in customer care and looking after the facilities at the various stations along the line.

We may be unnecessarily limiting the opportunities for young people. I am sure that is not the intention behind the Bill, which is laudable in all other respects. The fact that it has gone through all its stages with so little controversy demonstrates that, but I would not want the East Lancs Railway to be disadvantaged in any way as a result of a hangover from the 1920s. I hope that the Minister will look closely at the amendment tabled by my right hon. Friend and give some thought to how we can make it crystal clear that charities and organisations that run heritage railways are not disadvantaged.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): I do hope the lights stay on, because I am not expecting a highly charged debate this afternoon—boom, boom!

Anyway, I am grateful to my right hon. Friend the Member for Loughborough (Nicky Morgan) for her contribution, for her fantastic support for the NCS, and for raising this issue. Like Lord Ashton in the other place, I do not want there to be any barriers to young people volunteering their time on heritage railways or, indeed, in other appropriate environments.

NCS participants often choose to dedicate their social action project to a cause that is important to them in the community. If they wanted to work, for example, on the Great Central railway—an excellent heritage railway, as Members know, in my right hon. Friend’s constituency—nothing should unreasonably prevent them from doing exactly that. Health and safety law must, of course, be adhered to so that young people are properly looked after and risks are managed. That, of course, is sensible.

My Department has spoken with the Office of Rail and Road, which is responsible for the regulation of heritage railways. It confirms that there is a long-standing role for those under school leaving age to work on such systems in the heritage sector, and I know my right hon. Friend has a series of meetings to confirm with the ORR and others whether that is the right way to go.

There is a clear benefit to young people in being able to take part in such volunteering activities: it gives them practical and social skills, develops a sense of community and social engagement, and equips them with a formative degree of knowledge of safety and risk management.

General health and safety policy makes specific provision for the assessment and management of risks for young workers. We would, of course, expect the 1920 Act to be applied and enforced practically, sensibly and in the public interest. For railways that are appropriately managing volunteer work done by young people, and otherwise complying with health and safety law, there is a relatively low risk of action against them in practice. If there were evidence of poor supervision or exposure to risk, the ORR would have the usual range of enforcement powers to deploy. Those range from verbal and written advice to improvement notices, prohibition notices and prosecution for the most serious breaches of the law.

Modifying the law in this area would carry a risk that would need to be investigated thoroughly. The NCS Bill is a focused piece of legislation, as my right hon. Friend realises, and is drafted to put the NCS Trust on a more accountable footing. It is a governance Bill working alongside the draft royal charter, so it is not the place to change the law on the health and safety of young volunteers. Moreover, the 1920 Act concerns those under 16, and the vast majority of NCS participants are 16 or over, so they are not the concern of the Bill.

With that reassurance from the ORR, I know that my right hon. Friend will withdraw her amendment.

Nicky Morgan: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr Speaker: I will 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 available shortly in the Vote Office and will be distributed by Doorkeepers.

5.38 pm

Sitting suspended.

5.42 pm

On resuming—

Mr Speaker: I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified the following provisions of the National Citizen Service Bill [Lords] as relating
exclusively to England and within devolved legislative competence: clauses 1 to 8 of and schedule 1 to the Bill as amended in the Public Bill Committee.

For the purposes of Standing Order No. 83L(4), I have certified the following amendment made to the Bill since Second Reading as relating exclusively to England and Wales: amendment 1 to clause 13 made in the Public Bill Committee.

Copies of my certificate are available in the Vote Office. Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. The hon. Member for Aldershot (Sir Gerald Howarth) is nodding sagaciously along with me as I go—he is obviously very conversant with the details of this procedure, and I would expect nothing less. Does the Minister intend to move a consent motion?

Mr Rob Wilson indicated assent.

The House forthwith resolved itself into the Legislative Grand Committee (England) (Standing Order No. 83M(4)).

[NATASCHA ENGEL in the Chair]

The Second Deputy Chairman of Ways and Means (Natascha Engel): I remind hon. Members that if there is a Division, only Members representing constituencies in England may vote on the consent motion.

Resolved.

That the Committee consents to the following certified clauses and schedule to the National Citizen Service Bill [Lords] and the certified amendment made to the Bill:

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

Clauses 1 to 8 of, and Schedule 1 to, the Bill as amended in the Public Bill Committee (Bill 130).

Amendment certified under SO No. 83L(4) as relating exclusively to England

Amendment 1 made in the Public Bill Committee.—(Mr Rob Wilson.)

Question agreed to.

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.

Third Reading

5.46 pm

Mr Rob Wilson: I beg to move, That the Bill be now read the Third time.

I am absolutely delighted to speak at this historic moment for the National Citizen Service. Passing the National Citizen Service Bill is our opportunity to embed years of hard work by delivering a programme that is cherished by so many young people. Today is the culmination of the work and ideas that have gone into the Bill from both Houses and from outside Parliament.

I thank the hon. Member for Croydon North (Mr Reed) and the Opposition for their approach to the Bill. They have been consistently supportive, and in our debates they have demonstrated a desire to make the NCS the best it can be. The unity of the House has made a powerful statement that the NCS is here to stay. I have welcomed ideas and questions, and I think we have a stronger Bill because of that.

In particular, our discussions have focused on social integration. The importance that Members from across the House have placed on social integration is absolutely justified. People from different backgrounds mixing, working together and learning about each other is an essential part of the NCS. It is part of what makes it distinct as a programme, and why it has been such a valuable addition to national life.

I have always shared the view that social integration is central to the aims of the NCS, so I am pleased that we were able to agree about how to strengthen the language in the draft royal charter. We intend to add social integration to article 3.4 of the charter, which already mentions social cohesion. By adding social integration to the objectives, we will embed it firmly in the NCS Trust’s constitution.

We have also covered the issue of the role of young people in the leadership of the NCS. The NCS Trust needs the perspective of young people if it is to provide an appealing, quality experience. As I said in Committee, 19 regional youth boards and one national youth board bring young people’s perspective to the leadership of the NCS. The network of 120 young leaders provides another sounding board. I thank the hon. Member for Croydon North for meeting me to discuss those and other points. In the light of those constructive discussions, we have agreed with the NCS Trust that it will have a representative from its youth board at all normal main board meetings with a standing agenda item. The Government will also ensure that the recruitment process for board members will encourage young people to apply. With those commitments, I hope we now have a Bill that we can all firmly support.

It is not too ambitious to say that we want the NCS to become a national institution—a recognised and valid scheme, delivered by a respected and trusted organisation. With royal charter status and the passage of the Bill, the NCS Trust can be that organisation, and we have set our goals for the programme so that hundreds of thousands more young people can be sure of the opportunities on offer.

However, we know that there is still much more to do. For example, I agree with the recent recommendations of the National Audit Office and the Public Accounts Committee on strengthening the governance, transparency and efficiency of the NCS. That is not new to us. Improving those aspects of the programme was one of the reasons we started to develop the Bill more than a year ago. It is precisely because the NCS is so valuable, both to young people and the nation as a whole, that we must ensure that the taxpayer has complete confidence in the way it is managed, what the NCS Trust does and how it spends public money. It is because of our ambition for the programme that I want to ensure it is delivered to the highest possible standards.

The royal charter gives the NCS Trust a strong remit and sets governance arrangements that provide the right balance between necessary Government involvement and the freedom to get on with the job. The Bill can give Parliament confidence in the work of the trust. The business plan and the reporting requirements will provide transparency on key areas of performance. We therefore have an arrangement that works for Government, for Parliament and for the NCS Trust.

Justin Tomlinson (North Swindon) (Con): It was a great honour to be part of the Bill Committee that saw
the Bill through. I think that it strikes the right balance between accountability and trusting the NCS, with its young leaders, to deliver a programme that is relevant. Having made numerous visits to see the transformational opportunities it offers to young people, I believe it is absolutely right that we strike that balance.

Mr Wilson: I thank my hon. Friend for the part he has played in making the Bill the great success it is going to be and for his keen interest in the NCS in his Swindon constituency. He is right to seek assurances about the quality, not just the quantity, of what the NCS is providing and confirmation that young leaders will have the chance to be involved in the future.

The governance arrangements, together with the new projections for demand and the associated funding that I announced in January, are part of an ambitious yet realistic plan for the NCS. We want the NCS to grow, driven by demand from young people; we want it to provide the same quality experience to every young person as it grows; and we want it to provide value for money and transparency for the taxpayer.

I thank everybody who has helped to develop and shape the Bill and the charter, all Members of the House who have spoken in the debates, members of the Public Bill Committee, and the staff and board of the NCS Trust. In particular, I thank the chairman, Stephen Greene, who has taken the NCS Trust from its beginnings to the brink of being a national institution. That is quite a journey and an impressive achievement by anyone’s measure.

As we speak, the chairman, the board, and the staff of the NCS Trust are working hard to recruit this summer’s participants. We in this House can support them and play our part in that. I ask all Members to keep supporting the NCS in their constituencies—visit it, take part in it and talk about the impact it is having on young people. By raising its profile, we can help to make the NCS the NCS in their constituencies—visit it, take part in it and talk about the impact it is having on young people. By raising its profile, we can help to make the NCS the NCS. We want the stronger governance thread in that journey—a shared opportunity in a shared society.

It is not often that we have the opportunity to establish a new part of national life, a new element of being a citizen in our country. This is one of those opportunities. It is the opportunity to secure something that is already changing lives and that has the potential to change many more.

Of course there is much more work to do to grow the NCS and to make it a rite of passage, but today we can take a vital step in the right direction, for today we have a clear statement that working together with people from different backgrounds, in the service of a shared society, should be a normal part of growing up. Today we have before us a Bill that will help to secure the investment of millions more hours of volunteering by young people in local communities, helping those who most need it. Today, we look to the future and say to young people. “We want to invest in you. We want to give you the opportunity to reach your potential.” This Government invest in our young people. More importantly, we believe in our young people.

5.55 pm

Mr Steve Reed (Croydon North) (Lab): I will start by returning the compliments paid to me by the Minister. I and my colleagues on the Opposition Front Bench are grateful to him for the consensual way in which he has dealt with the Bill. That is important to the future of the National Citizen Service, and to the people from all parties and none who have devoted a considerable amount of time to getting the organisation off the ground. That does not mean to say I do not have comments to make about how it is being run, particularly in the light of the Public Accounts Committee report published this week, but those comments should not be misinterpreted as a lack of support for the organisation or for the consensual way in which the Minister has dealt with this matter. It has been an enormous pleasure to visit NCS groups in my constituency. I have seen the positive difference that they are making to young people in Croydon North, as well as to young people across the rest of the country.

The Bill sets up a royal charter that provides a statutory underpinning to the NCS. It does not set up the NCS, because it already exists. It does not agree funding levels, as they are decided by the Government in their spending review. Labour supports the Bill because it believes the NSC has a great deal to offer young people across our country. We want the stronger governance the royal charter will provide, particularly following the concerns about governance, oversight, financial performance and value for money—all issues that we raised in previous stages, but which the Public Accounts Committee report highlighted in flashing lights.

The organisation is due to receive over £1.5 billion of public funding at a time when other youth services up and down the country have lost significant levels of funding. It is important, when so much money goes to any service, that the Government can demonstrate beyond any shadow of a doubt that every penny of public money handed to the NCS is better spent there than every penny cut from thousands of other youth organisations that were also doing good work, many with some of the most vulnerable and disadvantaged young people in the country. I will not ask the Minister to respond in detail to every point raised by the PAC, but I would be grateful if he wrote to me and responded to some of the issues I will raise this afternoon.

I agree with the Minister that it is vital that this organisation, like every other publicly funded body, delivers and demonstrates the highest possible level of value for money. The PAC found that the “Department cannot justify the seemingly high cost per participant of the NCS”.

Given the significant amount of further money pledged to the NCS, that will require a full response in due course from the Minister. The report highlights what appear to be alarmingly high costs per participant: £1,863 per participant is very high, particularly since other funding targeted at the most vulnerable young people has been reduced.
Mr Rob Wilson: I would just like to place on record my absolute determination to see a concerted effort to reduce the cost per unit of the NCS bill. We have been looking at that for some time. One reason for the Bill is to make the NCS much more transparent and accountable in line with other organisations that receive public money.

Mr Reed: I thank the Minister for those assurances. It is important to put our concerns on the record following the PAC report. I fully understand that he will need some time to look at the report in detail to provide the reassurances that the House and the public will be looking for following its publication. The organisation has declared its intention to reduce spending per participant by about £200, which is significant. It is important to know how savings on this scale can be achieved while maintaining the quality of the service and support it provides.

Concerns, which the PAC report repeated, were raised that the full value of participation targets is not yet being realised. The Government reduced their original targets for the number of young people on the scheme by a third—from 360,000 by 2020, to 247,000. With such a dramatic downward shift, and given the funding going into the organisation, assurances will need to be given that the target can be achieved and that there will be no further downward shift.

Given that local authorities and schools are already active on the ground and know their communities, would Ministers be prepared to reconsider their involvement in delivering the service? At an earlier stage, the relationship was different, and although they still have a role with the NCS perhaps it needs to be reviewed to ensure their full integration into the organisation’s delivery of its services to young people.

The PAC report was critical of the Cabinet Office’s setting up of the trust without appropriate governance arrangements, but I understand that the royal charter to be established will put a governance framework in place. We argued at previous stages that there should be a role for young people in running the trust. I am grateful to the Minister and welcome the comments he made in the Chamber, and like, I suspect, many other Members involved in delivering the service? At an earlier stage, the relationship was different, and although they still have a role with the NCS perhaps it needs to be reviewed to ensure their full integration into the organisation’s delivery of its services to young people.

I welcome the Minister’s comments on social integration, about which points have been made not just by me but by many of the organisations involved in delivering the NCS. There is broad support among Members and across the sector for the NCS’s important work in encouraging social integration. Bringing together young people from different backgrounds broadens their understanding of their own country and the community of which they form a part, and it helps to build a sense of shared nationhood, which is very important for the future of our country.

It is particularly important that young people from more socially excluded and deprived backgrounds, who might be harder to engage, are fully represented in all the work the NCS does. With the focus on driving up participation, the NCS must not go only for those young people who are easier to engage but who might be in less need of its NCS support than young people from more excluded backgrounds. I know that the Minister shares my view, and I look forward to seeing what further focus is placed on the NCS to ensure that targets are met throughout the project’s delivery.

The internal evaluation of the NCS published last week showed the benefits of the scheme, but the finding that three months after completion of the spring NCS programme there had been no impact on volunteering was of concern. I hope that the Minister will look into that. Getting young people involved in volunteering is one of the key benefits of the NCS, so we need to do more to encourage those who want to give something back to their community and to ensure that they have that chance.

It is very welcome that the Government are going ahead with the youth social action review, whose chairman was named just this week. We welcome the appointment of Steve Holliday and look forward to hearing his recommendations by October.

Susan Elan Jones (Clwyd South) (Lab): My hon. Friend mentions the full time social action review. Does he share the hope of many of us that the Government will look at full-time volunteering and come up with as many creative ideas as possible?

Mr Reed: Absolutely. It is important that the Government identify and try to remove possible barriers to involvement in full-time volunteering. We hope that the review led by Steve Holliday will produce some proposals.

Let me reassure the House that the points that my colleagues and I have raised are intended to help the NCS to develop and improve. We want it to succeed. We believe in the young people of this country, and we believe that the NCS can have, and is having, a real impact on those who take part in its programmes. It builds their confidence, exposes them to other young people from different backgrounds, builds valuable life skills, and strengthens their understanding of the community and what it means to be part of it. However, we also believe in value for money. There clearly needs to be a tighter grip. Given that so many cuts are now affecting young people, the NCS needs to succeed for every young person in the country.

I hope that the Bill, and the royal charter it establishes, will enable the NCS to move forward, and will help young people throughout the country to achieve their potential and become the very best they can be.

6.6 pm

Mrs Flick Drummond (Portsmouth South) (Con): It is a pleasure to speak in support of the Bill. I should declare an interest, having taken part in a project organised by an NCS partner in Portsmouth: the Pompey in the Community team, led by Clare Martin and James Shannon at Portsmouth football club. Like my hon. Friend the Member for Bury North (Mr Nuttall), who is no longer in the Chamber, and like, I suspect, many other Members of Parliament, I was a “dragon” in the “Dragons’ Den” event organised for young people to pitch their ideas for social action projects to be run as part of the scheme.
There were some brilliant ideas, and the service has led to the delivery by young people of some great projects in Portsmouth.

I have no doubt that the establishment of a royal charter body is the right way to develop the NCS. It will give the organisation a strong stature in the eyes of the public, and will help to define its independence. The intention is not to allow it to bully or dominate other organisations in the voluntary sector; it is to ensure that a public body, spending large amounts of public money, is properly incorporated. This is not a slight on community interest companies—I have the pleasure of working with several CICs, and I am a firm supporter of that business model—but a move to put the NCS on a firmer footing in view of its considerable public responsibilities. The change will improve our oversight of the organisation, and will allow us to measure it against some of the concerns expressed in the Public Accounts Committee report.

Portsmouth is a compact and diverse city, so we can draw on a real mix of people from a wide variety of backgrounds. It will be vital nationally for the NCS to be able to draw people together from across the spectrum. Getting hold of young people, especially those from disadvantaged backgrounds, is a challenge, but we are achieving it in Portsmouth. That is one of the reasons I think the service is so successful. Our target is 350 this year, and we already have 171 signed up. Ours is a compact city, and people have to work together wherever they come from.

While I recognise that some concerns have been expressed about clause 9 and the involvement of HMRC, I see no great difficulty with it. Being given their national insurance details by HMRC at the age of 16 feels like a rite of passage for many young people, and it makes sense to include information about the NCS at the same time. They should also be getting the message via their schools, and I am sure that every MP can help in that regard. No one would expect the main means of learning about the NCS to come in a buff envelope with the national insurance card, but that is an additional means of engaging young people with projects that can change their lives and open the door to the world of responsibility and adulthood.

I hope that the annual report from the trust will contain some commentary on how it ensures the integrity of its data processing. That should relate not just to its relationship with HMRC, but to all sources of personal data collected and held by the NCS and its partners.

The key issues in the Bill that still give rise to concern involve the measuring of performance and value for money. As we heard from the hon. Member for Croydon North (Mr Reed), that concern arose from the PAC report. We look forward to scrutinising the business plan annually, and to seeing how the performance measures up. There must be no repeat of the unfilled places problem identified in the PAC report. We already know that 90% of the young people who are engaging with the service currently see the value of it, but I would particularly like to see how many continue to volunteer, perhaps even until the age of 21.

The challenge of the NCS will be to demonstrate the follow-on benefits of it as people get further into adulthood. We will therefore want to see in the annual reporting what the sustained impact is at age 21. This Bill reflects a desire shared in all parts of the House to help young people develop the skills they will need in adulthood, connecting them with parts of society with which they might not otherwise engage.

I have followed the debates about this Bill and its measures with interest, and I feel we have before us a Bill that should command the confidence of Members and the wider public, and I look forward to it becoming law in due course.

6.10 pm

Mr Rob Wilson: With the leave of the House, I will take a couple of minutes to try to answer some of the questions asked, to save me sending a letter or two further down the line. I thank the hon. Member for Croydon North (Mr Reed) for his comments and concerns, and for his support for the NCS.

On the Public Accounts Committee report that came out earlier this week, it is important to realise that the NCS delivers very positive outcomes and, by and large, very good value for money, as independent evaluations have shown. Detailed evaluations are conducted annually about the previous programme, and they are showing good value for money.

The programme has expanded extremely rapidly. As part of that rapid change it is important to acknowledge the need for change, which is precisely why we have brought forward this Bill, and indeed the royal charter. As the hon. Gentleman said, we are creating a much more robust framework for the NCS and the NCS Trust, as well as a new set of targets, which the hon. Gentleman mentioned.

The trust is going to be accountable to Parliament, which is very important, and the programme will be delivered efficiently, effectively and transparently, and these changes will help the trust to continue delivering the outcomes that make the NCS not just a justifiable programme but an important, often life-changing experience for young people.

We are working closely with the trust to ensure that new contracts due in 2018 deliver fully on value for money. The trust has undertaken a number of pathfinder exercises to look at how the NCS is delivered, and the Department for Culture, Media and Sport will continue to scrutinise the NCS Trust’s budgets. As I have said, I am determined to take concerted action to make sure we drive down costs and ensure value for money.

Schools and local authorities play a central role in promoting the NCS, and we will publish new guidance for both groups on royal assent.

The hon. Gentleman mentioned the new review under Steve Holliday. He brings a wealth of knowledge and experience of young people and skills—and the right experience—to this role, and I will work with him to secure a panel of experts from the public, private and voluntary sectors to make sure we have the right experience and knowledge to deliver what I hope will be a great report.

Finally, on public sector standards, as an independent community interest company the NCS Trust was not required to comply with public sector expectations on standards and financial reporting, but once the trust has transitioned to a royal charter body it will be required to produce a business plan at the start of each year, and produce annual accounts and annual reports.
for Parliament. That will create much more transparency and better accountability, which is why we have the NCS Bill.

I hope that answers the majority of the hon. Gentleman’s questions. If there are any left unanswered, I will write to him.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Committee on Standards


6.14 pm

Tom Brake (Carshalton and Wallington) (LD): I beg to move, That, in accordance with Standing Order No. 149A, Tammy Banks, Rita Dexter and Paul Thorogood be appointed as lay members of the Committee on Standards for a period of six years from 31 March 2017.

I am very happy to be standing in for the Leader of the House of Commons, the right hon. Member for Aylesbury (Mr Lidington) today. The motion proposes the appointment of three lay members to the Committee on Standards to replace the three appointed at the end of 2012 when we first changed the membership of the Committee to include people from outside Parliament. This was a radical reform at the time, and it is greatly to the credit of the three members appointed then—Sharon Darcy, Peter Jinman and Walter Rader—that the motion today is seen as business as usual. I would like to express the thanks of the House of Commons Commission—and, I am sure, of the whole House—to Sharon, Peter and Walter for their dedication to their role and for the contribution they have made to increasing the rigour and public profile of the standards system in the House.

The terms of office of those three original lay members come to an end on 30 March this year, so last summer the Commission started the recruitment process to identify their replacements. We were keen that there should not be a gap in membership and I am glad that by holding this debate today we will achieve that aim. The three names recommended to the House in the motion were chosen as the result of a fair and open competition, as required under the Standing Order. The Commission’s report sets this out in more detail for those who are interested. I would like to thank the recruitment panel for all its work in sifting the many applications and putting forward three excellent candidates.

Turning briefly to those candidates, I am sure the House will agree that they will increase diversity on the Standards Committee and that they will bring a broad range of insights and experience to their work on the Committee. Tammy Banks is the chief executive of Yorkshire and Humberside Circles of Support and Accountability, a charity based in York. Rita Dexter has had a lifetime of service in local government and recently retired as deputy commissioner of the London Fire Brigade. Paul Thorogood is the chief executive officer of the Football Foundation. Further biographical details of all the candidates are published in the Commission’s report for the information of the House and beyond.

The motion proposes that the three candidates be appointed for six years, which is the maximum term allowed under the Standing Order. This is to allow continuity of service and experience on the Committee and to stagger the departure dates of the seven lay members taken as a whole. I am sure that other Members will join me in wishing the new lay members well in their new role. I ask the House to agree to the motion for the appointments.
6.17 pm

Sir Kevin Barron (Rother Valley) (Lab): As Chair of the Committee on Standards, I would like to speak briefly to support the motion today. As part of my role as Chair, I was a member of the recruitment panel to select the candidates for the lay member posts. The field of potential members was exceptionally strong, and I am sure that the three names that emerged from it will add great value to the work of the Committee. I look forward to welcoming Tammy, Rita and Paul to their new posts if the House passes the motion today.

I would also like to express the thanks of the Committee—and indeed of my personal thanks—to three of the current lay members, Sharon Darcy, Peter Jinman and Walter Rader, who leave us at the end of the month. I believe that they are the first lay members ever to be appointed to a parliamentary Committee, although we now have a total of seven such members. They had the difficult task of taking on and shaping a completely new role at the start of 2013, and doing so at a time when I think it is fair to say that the standards system in the House was not held in high regard.

Sharon, Peter and Walter have brought to their role a deep experience of other regulatory regimes and a determination to improve the system in the House. During their time in post, they have achieved a great deal. They have made a full contribution to all reports and discussions in Committee, much to the improvement of our decisions and processes. They have also encouraged us to look beyond our bread-and-butter disciplinary cases and think about how we can change the culture of standards in the Commons and engage the public more in our work. I know that all three of the departing lay members think there is still more to be done, but I hope that they also have a sense of achievement because of the changes they have brought about in the last four years. They leave a legacy that I am sure will be picked up and pursued by all colleagues on the Standards Committee as we go forward.

6.19 pm

Tommy Sheppard (Edinburgh East) (SNP): I rise briefly to associate myself with the comments already made. I have been a member of the Committee on Standards for—I cannot believe that I can say this—almost two years, and I want to pay tribute to our lay colleagues who are retiring. I have seen at firsthand how they have brought intelligence and, most of all, perspective to our debates. They have allowed us to consider things and arrive at a view that would have been different had they not been present. Members of this House can sometimes be so embroiled in something that we are unable to rise above it and see ourselves as others would see us. That is the contribution that the lay members have made. I concur with the appointment of the new lay members and look forward to working with them.

Question put and agreed to.

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) Regulations 2017, which were laid before this House on 30 January, be approved.—(Sir William Cash.)

Question agreed to.

PETITIONS

Implementation of the 1995 and 2011 Pension Acts

6.21 pm

Nick Smith (Blaenau Gwent) (Lab): I present this petition from those in Blaenau Gwent who are facing hardship and need a better deal from this Government. Meeting women up and down my borough, it is clear that pension changes are disproportionately affecting working-class women—women who may have started work as young as 15, women with no private pension to fall back on, and women who are likely to be in manual trades, which are hard to keep up in later years. Their stories are pointed, powerful and painful. Those women are known throughout the country as the WASPI women, and they deserve our support.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

Following is the full text of the petition:

[The Petition of residents of Blaenau Gwent,
Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The Petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the Petitioners remain, etc.]


6.22 pm

Sir William Cash (Stone) (Con): I have two petitions, the first of which is a petition signed by many residents of the Stone constituency in relation to the Women Against State Pension Inequality Campaign.

The petition states:

The Petition of residents of Stone,
Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the
burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The Petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the Petitioners remain, etc.

No. 31 bus service to Cheadle from Hanley

6.23 pm

Sir William Cash (Stone) (Con): My second petition relates to the No. 31 bus service to Cheadle from Hanley in Stoke-on-Trent and has also been signed by a significant number of my constituents.

The petition states:

The Petition of residents of the constituency of Stone in Staffordshire, Declares that the No. 31 bus service to Cheadle from Hanley should not be withdrawn.

The Petitioners therefore request that the House of Commons urges the Government to ensure that the No.31 bus service to Cheadle from Hanley is not withdrawn.

And the Petitioners remain, etc.
now president of the family division of the High Court and has judged many family cases involving contact disputes—that the cause of these problems is delay in the court system, the failure of the courts to challenge groundless allegations against non-resident fathers and the failure of the courts to get to grips with defiance of contact orders and child arrangement orders and to properly enforce against breach? Does he agree that that is the core of some of the problems?

Simon Danczuk: I thank the hon. Lady for her intervention, and I know that she has good knowledge of these issues from her time before coming to this place. She makes an extremely good point, which adds to the discussion and debate that I hope we will continue to have on this issue.

I am sure we would all agree that it is not normal for a child, in a short space of time, to go from loving a parent to seeing them as an object of hate. As Dr Amy Baker, a developmental psychologist who has written extensively on parental alienation, has said:

“Children do not typically reject a parent, even a relatively bad one, unless they have been manipulated to do so.”

Manipulation can take various forms, and some acts may even be unconscious. For example, if a mother is anxious about their child going to visit their father, the child may pick up on that and begin, for perhaps no other reason, to worry themselves. The odd comment in front of the children about the other parent’s financial situation or inability to stick with plans is another mild form of parental alienation. Although such actions are unlikely to have a serious impact, it is none the less worth keeping in mind that children are very impressionable and that parents must watch what they say around them.

In more destructive cases, the manipulation takes a very nasty form. The manipulator can poison the child’s mind with biased accounts of why the marriage failed or the unpleasant details of the divorce settlement. In the most severe circumstances, a parent may restrict access time to the other parent so that a proper relationship cannot be maintained. That type of parental behaviour can result in the child being uncharacteristically rude to the target parent, refusing to see them and even making serious but false allegations against their mum or dad; often it is carried out by parents seeking revenge against their former partner, with the children maliciously used as a weapon in the battle.

For the target parent the sense of loss and pain can be unimaginable. For the children, who are innocent bystanders, the effects in the present and the long term can only be negative. We know from evidence that bad relationships within families are bad for child development. Separation already has its difficulties, but if it is marred by manipulation and hostility, that will undoubtedly impair a child’s mental health, emotional wellbeing and academic attainment. Indeed, it is likely that a child who is manipulated against one of their parents will engage in such practices when they grow up and have children of their own. I must say that I have had to work at avoiding being negative in conversation with my two youngest children since my second marriage broke down. Thankfully, my second wife Karen and I, for all our differences, work really hard at putting our children’s emotions first. That is down to good and regular communication, but I can understand how a parent can slip into the milder forms of parental alienation, which highlights the need to raise awareness.

Since this debate was announced, I have received a number of emails from victims of parental alienation, and I am sure that after this evening I will receive more. Of course, it would be unwise to take those accounts completely at face value, as cases are often complex and there are always two sides to any story. However, I can believe that many of the tales that have been recounted are experienced by many parents up and down the country. Last month, when I tweeted an article about parental alienation, I was surprised by the response I received. This is an issue that most people outside Westminster are aware of, although they may well not use the term “parental alienation”. A few of those who got in touch said that they would be watching this debate, and I would like to thank them for sharing their experiences and urge them to share them with their Member of Parliament.

I would like to make a few observations before I share some of the more high-profile cases that have been reported on. First, many fathers’ rights campaign groups have rightly been campaigning on this issue for many years—understandably so, given the trauma that many fathers have to go through to gain access to their children after separation. However, it is important to note that mothers can be the victims of parental alienation as well as the perpetrators. Additionally, the manipulation may not come from the parent who has custody over the child—indeed, a mother or father who sees their child only at weekends could use that limited contact time to poison the mind of their child.

We know that the problem affects many families, so it is surprising that there are so few documented accounts. Last year, the BBC’s “Victoria Derbyshire” show highlighted the case of a girl whose father manipulated her against her mother. Emma—not her real name—went to live with her dad two years after her parents separated. He deliberately blocked her and her siblings from seeing their mother. In front of the children, the father blamed the mother for the breakdown of the family. He told them that their mother was a liar and a drunk, and that she was not interested in seeing them and no longer loved them. Emma was subject to this abuse for five years, but was none the wiser. As she told the BBC:

“With me only being nine, to the age of twelve, I didn’t know”

better. Emma’s father blocked her attempts to see her mother, until she eventually ran away. She managed to reach her aunt’s home and call her mum for the first time in years. She now lives with her mother and has cut all ties with her father, and she questions how he can look after children.

Although the children are often unaware of the abuse they are being subjected to, the parent being vilified is all too aware. The case of Miriam—again, not her real name—highlights the suffering experienced by such a parent. Her case is particularly harrowing given the serious sexual allegations made against her by her son, after her ex-husband told her that she would never see her child again. Miriam denied the accusations and they have since been dismissed by the court, yet she did not see her son for 592 days, and he will now consent to seeing her only under supervision, every six
weeks. She is losing hope that she will ever have a meaningful relationship with her child again. She told The Guardian: “My son has been so severely manipulated by his father that it may not be until he has his own children that he comes back to me.”

I know of one mother who had her children steal jewellery and underwear from the separated father’s home. She encouraged them to write graffiti at his house, and even had them put hair removal cream in his shampoo bottles. Those are some of the more extreme examples of parental alienation.

What can we do going forward? It seems that there is a lack of information out there about parental alienation in the United Kingdom, so there needs to be further investigation. Parental alienation needs greater recognition by the UK Government, and the family courts need to record it as a specific issue. Without data about the scale of the problem, it is difficult to recommend a solution, let alone monitor the impact of any measures the Government might decide to introduce. When considering the matter, the Government should consider a variety of measures ranging from investing in initiatives to prevent or stop this form of abuse in its early stages to programmes to support victims, as well as changes in legislation to ensure that in the most extreme circumstances parents who abuse their children in this way are punished.

Investment in early prevention efforts must be prioritised, and better guidance must be given to courts, social workers and all those who have children under their duty of care. The Government have already funded a CAFCASS pilot scheme to provide therapeutic programmes relating to parental alienation. I am keen to hear from the Minister how that pilot went and whether the Government plan to continue and expand the programme.

Joanna Abrahams, the head of family law at Setfords, who has expressed concerns that cuts to legal aid will prevent parents from accessing justice on this issue.

Parental alienation is recognised in the US and Canada, it is illegal in Brazil and Mexico, and in Italy parents who manipulate their child can be fined. It is worth the Government exploring different models such as those to see how best practice can be adopted here in the UK; I hope the Minister will liaise with his counterparts in those countries.

Parental alienation has a serious impact on our children. It is a crying shame that this form of child abuse all too often goes unrecognised and unreported. Parental alienation warrants further debate in Parliament, and we then need the Government to take further action. One of the most immediate and simplest ways in which we can improve the situation is to raise awareness and make both parents conscious of the damage that parental alienation can do to their children. We can all help to raise awareness by doing more next month on 25 April, when we mark Parental Alienation Awareness Day.

6.39 pm

The Minister for Courts and Justice (Sir Oliver Heald): First, may I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing this debate and on his interesting and thoughtful contribution? It is right to say at the outset that the Government are considering family justice matters at the moment with a view to having a Green Paper later this year. With that in mind, he has highlighted an important concern. I was sorry to hear of his own personal experience of parental alienation, which must make this an issue of particular concern to him, and the House will have been moved by that.

I am sure that everyone in the House will agree that parental separation is one of the most traumatic events for a family. It affects both the child and the parents. Many separated parents do manage to overcome that agony of separation and work out child arrangements in a way that values and encourages the ongoing involvement of each other, and the hon. Gentleman mentioned his own experience of doing that. Other parents, for a variety of reasons, find themselves in conflict with each other when faced with the need to make important decisions together about the future of themselves and their children. All too often, the needs of the children are lost in that emotional turmoil.

The breakdown of a relationship presents its own difficulties for children. The emotional upheaval of separation is made worse when one parent—more commonly, but not always, the parent with whom the child resides—seeks to turn the child against the other parent and make them appear not to love them in their presence. Although there is no generally recognised syndrome—as the hon. Gentleman called it—of parental alienation in this jurisdiction, it does not mean that the problem is unrecognised by the family justice system. What matters is not whether parental alienation is a syndrome, but what the impact is on the child. The Government are aware of the difficulties that a parent can face when the other parent seeks to alienate them from their child’s life, and I am sure that hon. Members know that from their own constituency work, because it is a point that comes up in surgeries. Such behaviour can never be acceptable and it has a traumatic effect. Like domestic abuse, it can intensify emotional harm to children. However, I can assure hon. Members that the law takes the matter seriously. There are mechanisms in place robustly to address parental alienation when it features in child arrangements cases before the family court.

When a parent applies for a child arrangements order determining with whom their child is to live or spend time, the court must by law presume that the child’s welfare will be furthered by that parent’s involvement in their life, unless there is clear evidence to the contrary. When making any decision about the nature of that involvement, the child’s welfare is always paramount, but that presumption applies. This position contrasts starkly with the issue that we are debating this evening involving parents who unilaterally seek to undermine the importance of that law, which attaches importance to both parents’ involvement—always assuming that it is safe and in the child’s best interests to do so.

Where the court is dealing with a child arrangements dispute, the Children Act 1989 sets out what is known as the welfare checklist, which includes having regard to factors such as the ascertainable wishes and feelings of the child concerned, commensurate with that child’s age and level of understanding. If the court is concerned about what those wishes genuinely are and the feelings involved, it can request the Children and Family Court Advisory and Support Service—CAFCASS—to prepare a welfare report on the child’s wishes and feelings as well as any other any matters relevant to the case.
**Tim Loughton** (East Worthing and Shoreham) (Con): I apologise for not being present for the beginning of the debate, due to its starting early. My right hon. and learned Friend is making some good points, but is it not the case that the problem with child arrangements orders, which represent a diluted form of the shared parenting principle that should have been in the Children and Families Act 2014, is that the resident parent can usually game the legal system by not abiding by contact orders repeatedly? The non-resident parent constantly has to go back to court and does not see the child, so that over a matter of months that then becomes years the child does not know that parent any more, and the child’s wishes and feelings may change to, “I don’t know that parent. I don’t want contact with them.” That is the real cause and the most common form of parental alienation.

**Sir Oliver Heald:** If my hon. Friend bears with me, I think I will cover those points in my next remarks, but if I do not, I give him full licence to have another go.

CAFCASS is a professional social work organisation and its practitioners understand and recognise the potential for what is often called implacable hostility by a resident or non-resident parent in a child arrangements case. CAFCASS practitioners are professionally qualified social workers with a minimum of three years’ post-qualifying experience. They are aware of the potential for children to be influenced by parental views and are alert to the possibility of parental alienation throughout a case.

Where the child presents adult themes or language, the CAFCASS practitioner will explore these and report on such matters to the court. The idea is to intervene as early as possible—a point made by my hon. Friend the Member for Fareham (Suella Fernandes). CAFCASS has a range of tools available to assist its practitioners in assessing the presence or the danger of alienating behaviours. They include a tool for use in direct work with the family, where the child is rehearsing adult complaints or describing parents in wholly positive or negative terms will indicate their exposure to alienating behaviours.

There are other measures that can be taken. In highly intractable cases the court can make the child who is the subject of the proceedings a party to the case, with their own representative in court, as well as a guardian. That will ensure that the child’s wishes and feelings are fully heard and properly investigated.

The Government recognise, of course, the potential for parental alienation to continue after an order setting child arrangements has been made. A parent who has attempted during the proceedings to alienate the child against the other parent and failed may then seek to frustrate the operation of the order. The court has a general power when making a child arrangements order to direct CAFCASS to monitor compliance with the order and report to the court. A parent may also apply to the court to vary or revoke the order.

Where there is wilful breach of a child arrangements order, the court has powers to deal with that. It may require the person in breach to undertake unpaid work or to pay financial compensation—for example, when a parent has spent money to come to see a child. It is a contempt of court not to follow a court order, and the available punishments include fines and imprisonment, but the court must consider the reason for the breach and the child’s welfare when deciding whether enforcement action is necessary to secure the other parent’s involvement in the child’s life.

**Tim Loughton:** Will my right hon. and learned Friend give way?

**Sir Oliver Heald:** I am just about to finish replying to my hon. Friend’s previous intervention. He will have an opportunity to intervene again.

In an exceptional case, the court could decide to change the child’s residence to the non-resident parent. As my hon. Friend knows, I have practised in the courts and I was involved in a case where that happened. The case was intractable and long running; one parent was not willing to give any time with the child to the other parent, and in the end the judge transferred the order. I have to say it was not a great success, but that case shows that a powerful remedy is available. Of course, such a change would be profound for the child and could be contemplated only if their longer term welfare needs outweighed the short-term impact on their wellbeing, but in some cases it is an effective option.

Implacable hostility and alienating behaviour by the resident parent are difficult issues for the family court to address and are very distressing for the parent on the receiving end. We need to understand something about the nature and scale of the problem. Professor Liz Trinder of the University of Exeter did a research study in 2012, looking in detail at 215 enforcement applications relating to child contact orders. It was found that alienating or implacably hostile mothers represented a small minority—about 5% of cases. More often, enforcement cases involved parents in continuing high conflict with each other, which prevented them from making arrangements that worked in practice. The second largest group involved cases with significant ongoing welfare concerns, followed by cases where older children just wanted to reduce the amount of time they were spending with their parents, wanting to take part in other activities instead. I can say, as somebody who has done such cases, that the allure of the football pitch or friends down the road sometimes gets in the way as children get older.

I do not for one moment wish to diminish the impact of parental alienation when it occurs. As I have already made clear, such behaviour is unacceptable, but it is important to understand that what may appear to be alienating behaviour by a resident parent may, in fact, be the result of other concerns. It is a mixed, complicated picture. More broadly, I would like to address the perception that the family justice system contains an inherent inequality—I think that is my hon. Friend the Member for East Worthing and Shoreham’s point, but I will let him have another go if I am wrong—against fathers seeking to live with or spend time with their children.

As I hope I have explained, the legislative framework governing child arrangements orders and adjudication of disputes by the family court is gender neutral. It is focused—and this is right—on the welfare of the child, as opposed to any perceived rights. Each case is determined on the facts and the individual welfare needs of the child by an independent judge assisted by experienced CAFCASS practitioners. Judges, for their part, recognise the far-reaching nature of the decisions they make for those involved. I certainly know of cases where there has been this sort of appalling behaviour, but later on it
has come to bite the party that was involved because the child has not accepted it in the longer term and has wanted to know both parents.

Tim Loughton: The Minister is being very generous in giving way. I do want to have another go because he is making some very good points. To come back to the available penalties, he mentioned imprisonment. Well, of course, that would fail the welfare checklist for the child in the Children Act 1989 in the vast majority of cases because it is not in the best interests of that child for his or her parent to go to jail. I do not expect him to do this now, but could he provide us with some figures as to the number of occasions on which meaningful penalties have been brought against somebody who is a serial frustrator of contact—that form of parental alienation? How many cases of transfer of residency of a child have there been? I think he will find, notwithstanding his single case, that the actual number is minuscule. That is the nuclear option and the deterrent, but it is not used.

Sir Oliver Heald: I am always happy to discuss these matters with my hon. Friend, who is very knowledgeable in the area of children’s protection and who takes a particular interest in a range of social and caring matters concerning children. I am more than happy to look at what information is available for him. It is true that we have done some work looking at pilots and particular examples. The Department for Education also has a series of initiatives, which are not all about this particular issue but are all in the field of family justice. I will also look for what further information I can give the hon. Member for Rochdale about that particular scheme.

The law does not grant either parent any right to any particular amount or pattern of involvement in the child’s life. Parental involvement may take many different forms, from staying overnight, at one end of the spectrum, to indirect involvement through letters and cards, and it often depends on the geographical circumstances of the parties, too.

If the court determines that a particular arrangement—for example, a shared residence arrangement—is necessary to meet the child’s welfare needs, it can make an order to that effect. I am sure the House will agree that the welfare of the child, including any concerns the court may have about safety, must always come before the wishes of the adult parties. The current law gives the court wide discretion to address the range of welfare issues that can affect children.

I am conscious that this issue transcends party lines, as we have seen tonight. It is an important issue for those fathers who seek to maintain involvement in their child’s life. I hope I have addressed many of those aspects of parental alienation that naturally concern Members.

In concluding, I would like to thank everybody who has made a contribution. I thank the hon. Member for Rochdale for calling the debate and making a speech, but I also thank those who have made interventions, which have raised important points. The Government do not have plans immediately to depart from the current law, which puts children’s welfare first and foremost when the family court considers matters affecting their lives and futures. However, as I said at the beginning, we are giving consideration to what further changes may be needed to the family justice system, and we will seek views on our proposals later this year. That may well offer the hon. Gentleman and others an opportunity to set out their concerns if they feel that we have not gone far enough or that there are other matters we need to consider in detail. In the meantime, I will certainly reflect carefully on what has been said in the debate tonight.

Question put and agreed to.

6.56 pm

House adjourned.
**Deferred Divisions**

**SOCIAL SECURITY**

That the draft Bereavement Support Payment Regulations 2017, which were laid before this House on 12 January, be approved.

*The House divided: Ayes 292, Noes 236.*

**Division No. 183**

**AYES**

| Adams, Nigel | Davis, rh Mr David |
| Afriyie, Adam | Dinenage, Caroline |
| Aldous, Peter | Djanogly, Mr Jonathan |
| Allan, Lucy | Donelan, Michelle |
| Allen, Heidi | Dorries, Nadine |
| Amess, Sir David | Double, Steve |
| Andrew, Stuart | Dowden, Oliver |
| Ansell, Caroline | Doyle-Price, Jackie |
| Argor, Edward | Drax, Richard |
| Atkins, Victoria | Drummond, Mrs Flick |
| Bacon, Mr Richard | Duddridge, James |
| Baker, Mr Steve | Duncan, rh Sir Alan |
| Baldwin, Harriett | Duncan Smith, rh Mr Iain |
| Barclay, Stephen | Dunne, Mr Philip |
| Bebb, Guto | Ellis, Michael |
| Bellingham, Sir Henry | Ellison, Jane |
| Benyon, rh Richard | Ellwood, rh Mr Tobias |
| Berry, Jake | Elphicke, Charlie |
| Berry, James | Eustice, George |
| Bingham, Andrew | Evans, Graham |
| Blackman, Bob | Evans, Mr Nigel |
| Blackwood, Nicola | Evennett, rh David |
| Blunt, Crispin | Fabricant, Michael |
| Bone, Mr Peter | Fallon, rh Sir Michael |
| Borwick, Victoria | Fernandes, Suella |
| Bradley, rh Karen | Field, rh Mark |
| Brady, Mr Graham | Foster, Kevin |
| Brazier, Sir Julian | Fox, rh Dr Liam |
| Bridgen, Andrew | Francois, rh Mr Mark |
| Brine, Steve | Frazer, Lucy |
| Brokenshire, rh James | Freer, Mike |
| Buckland, Robert | Fuller, Richard |
| Burns, Conor | Fysh, Marcus |
| Burns, rh Sir Simon | Gale, Sir Roger |
| Burrowses, Mr David | Garnier, rh Sir Edward |
| Burt, rh Alistair | Gauke, rh Mr David |
| Cairns, rh Alun | Ghan, Nusrat |
| Carmichael, Neil | Gibb, rh Mr Nick |
| Cartidge, James | Gillan, rh Mrs Cheryl |
| Cash, Sir William | Glen, John |
| Caufield, Maria | Goodwill, rh Mr Robert |
| Chalk, Alex | Gove, rh Michael |
| Chope, Mr Christopher | Graham, Richard |
| Churchill, Jo | Grant, Mrs Helen |
| Clark, rh Greg | Gray, James |
| Cleverly, James | Grayling, rh Chris |
| Clifton-Brown, Geoffrey | Green, Chris |
| Coffey, Dr Thérèse | Green, rh Damian |
| Collins, Damian | Greening, rh Justine |
| Colville, Oliver | Grieve, rh Mr Dominic |
| Cooper, Rosie | Griffiths, Andrew |
| Costa, Alberto | Gunner, rh Ben |
| Courts, Robert | Gyimah, Mr Sam |
| Crabb, rh Stephen | Halfon, rh Robert |
| Crouch, Tracey | Hall, Luke |
| Davies, Byron | Hammond, rh Mr Philip |
| Davies, Chris | Hammond, Stephen |
| Davies, David T. C. | Hannah, rh Mr Matt |
| Davies, Glyn | Hands, rh Greg |
| Davies, Dr James | Harper, rh Mr Mark |
| Davies, Mims | Harrington, Richard |
| Harris, Rebecca | Harrison, Trudy |
| Hart, Simon | Hayes, rh Mr John |
| Heald, rh Sir Oliver | Heappey, James |
| Heaton-Jones, Peter | Henderson, Gordon |
| Herbert, rh Nick | Howarth, rh Sir Gerald |
| Hinds, Damian | Hoare, Simon |
| Hollingbery, George | Hollinrake, Kevin |
| Hollobone, Mr Philip | Holloway, Mr Adam |
| Holowma, rh Mr Alan | Howells, rh John |
| Hunt, rh Ben | Huddleston, Nigel |
| Hurd, rh Mr Nick | Jackson, Mr Stewart |
| James, Margot | Javid, rh Sajid |
| Jayawardena, Mr Ranil | Jenkyns, Andrea |
| Jenrick, Robert | Johnson, Dr Caroline |
| 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 |
| Leasom, rh Andrea | Lee, Dr Phillip |
| Lefroy, Jeremy | Leigh, Sir Edward |
| Leigh, rh Sir Edward | Leslie, Charlotte |
| Letwin, rh Sir Oliver | Lewis, rh Brandon |
| Lewis, rh Dr Julian | Liddington, rh Mr David |
| Lilley, rh Mr Peter | Lopresti, Jack |
| Lord, Jonathan | Loughton, Tim |
| Loughton, Tim | Mackinlay, Craig |
| Mackintosh, David | Main, Mrs Anne |
| Mak, Mr Alan | Malthouse, Kit |
| Mann, Scott | Mathias, Dr Tania |
| May, rh Mrs Theresa | Maynard, Paul |
| Maynard, Paul | McCartney, Karl |
| McColl, rh Sir Patrick | McPartland, Stephen |
| Menzies, Mark | Mercer, Johnny |
| Merriman, Huw | Metcalfe, Stephen |
| Miller, rh Mrs Maria | Milling, Amanda |
| Mills, Nigel | Mitchell, rh Mr Andrew |
| 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 Sheryll |
| Neill, Robert | Murrison, Dr Andrew |
| Newton, Sarah | Nokes, Caroline |
| Norman, Jesse | Nuttall, Mr David |
| Offord, Dr Matthew | Opperman, Guy |
| Oparah, Neil | Patel, rh Priti |
| Paterson, rh Mr Owen | Pawsey, Mark |
| Penning, rh Mike | Percy, Andrew |
| Philip, Chris | Pickles, rh Sir Eric |
| Pincher, Christopher | Poulter, Dr Daniel |
| Pow, Rebecca | Pretis, Victoria |
| Pughslove, Tom | Quinn, Jeremy |
| Quince, Will | Raab, Mr Dominic |
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| Robinson, Mary | Rosindell, Andrew |
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| Sharma, Alok | Shelbrooke, Alec |
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| Smith, Henry | Smith, Julian |
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| Soubry, rh Anna | Spelman, rh Dame Caroline |
| Spelman, rh Dame Caroline | Spencer, Mark |
| Stephens, Andrew | Stevenson, John |
| Stewart, Bob | Stewart, Ian |
| Stewart, Rory | Streeter, Mr Gary |
| Stride, Mel | Sturt, Graham |
| Sturby, Julian | Sturt, Graham |
| Sunak, Rishi | Swire, rh Sir Hugo |
| Swann, rh Sir Desmond | Symes, Mr Robert |
| Thomas, Derek | Throup, Maggie |
| Timpson, Edward | Tolhurst, Kelly |
Deferred Divisions
15 MARCH 2017

Order 2017, which was laid before this House on 26 January, be approved.

Question accordingly agreed to.

CROWN

That the draft Sovereign Grant Act 2011 (Change of Percentage) Order 2017, which was laid before this House on 26 January, be approved.
### The House divided: Ayes 464, Noes 56.

#### Division No. 184]

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Sharma, Alok
Sheerman, Mr Barry
Shelbrooke, Alec
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Henry
Smith, Jeff
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Royston
Snell, Gareth
Solloway, Amanda
Soubry, rh Anna
Spellar, rh Mr John
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevens, Jo
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Streeting, Wes
Stride, Mel
Stuart, rh Ms Gisela
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Smits, Mr Robert
Tami, Mark
Thomas, Derek
Thomas-Symonds, Nick
Thornberry, rh Emily
Throup, Maggie
Timms, rh Stephen
Tipson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Trickett, Jon
Truss, rh Elizabeth
Tugendhat, Tom
Turley, Anna
Turner, Mr Andrew
Twigg, Derek
Tyrie, rh Mr Andrew
Umunna, Mr Chuka
Vera, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Wallace, Mr Ben
Warburton, David
Warman, Matt
West, Catherine
Wharton, James
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williams, Mr Mark
Williamson, rh Gavin
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Dame Rosie
Woodcock, John
Wragg, William
Wright, Mr Iain
Wright, rh Jeremy
Zahawi, Nadhim
Zeichner, Daniel

NOES
Ahmed-Sheikh, Ms Tasmina
Ali, Rushanara
Blackford, Ian
Blackman, Kirsty
Boswell, Philip
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Crawley, Angela
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Durkan, Mark
Edwards, Jonathan
Fellows, Marion
Ferrier, Margaret
Gethins, Stephen
Gibson, Patricia
Grady, Patrick
Grant, Peter
Gray, Neil
Hendry, Drew
Hosie, Stewart
Kerevan, George
Kerr, Calum
Law, Chris
Lucas, Caroline

Question accordingly agreed to.
Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State for Culture, Media and Sport was asked—

Leaving the EU: Creative Industries

1. **Nick Smith** (Blaenau Gwent) (Lab): What assessment she has made of the potential effect of the UK leaving the EU on funding for the creative industries. [909283]

**Karen Bradley** (Secretary of State for Culture, Media and Sport): Before I start, I remind the House that, as per today’s Order Paper, I plan to make a statement on the proposed merger of 21st Century Fox and Sky after business questions, so I will not answer any questions on the subject during oral questions this morning, but I will of course be happy to do so at the Dispatch Box later.

We have been engaging with representatives from across the creative industries to understand the potential impact and opportunities of the UK’s decision to leave the EU, including on funding. The Treasury has announced that it will guarantee funding for structural and investment fund projects between the time we leave the EU and 2020.

**Nick Smith**: Blaenau Gwent has been the filming location for everything from “Wrath of the Titans” and “Doctor Who” to “The Hitchhiker’s Guide to the Galaxy”. I am keen for the British film industry to thrive after Brexit, so will the Government negotiate for the UK to stay in Creative Europe, the vital film funding programme which our brilliant British Film Institute helps hold together?

**Karen Bradley**: I join the hon. Gentleman in praising Blaenau Gwent. I also praise not only all the parts of Wales that are used as filming locations for some fantastic films and television programmes, but the studios in Cardiff where many great programmes, including “Doctor Who”, are filmed. I am aware of the views about Creative Europe, and we are looking at all the European funds and making decisions about the appropriate response from the United Kingdom to those funds after we leave the European Union.

**Mr John Whittingdale** (Maldon) (Con): I welcome my right hon. Friend’s recognition of the importance to the creative industries of their ability to license on an exclusively territorial basis. Will she ensure that that message gets across to the UK permanent representation in Brussels so that it argues that case as strongly as possible while we remain in the EU?

**Karen Bradley**: I can say categorically yes. My right hon. Friend’s point is one reason why people were concerned about our membership of the EU and one of the things that led to the vote on 23 June last year.

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): Leaving the EU could affect not only funding, but the growth of the creative industries, which contribute £87.1 billion a year—£160,000 a minute—to the UK’s economy. What safeguards is the Secretary of State putting in place to protect this currently thriving sector of UK plc?

I also want to take this opportunity to put on the record my enormous thanks to the Secretary of State and her team for bringing forward “ban the bots” legislation and taking on board all the recommendations of the Waterson report.

**Karen Bradley**: I thank the hon. Lady for that comment. The two of us first met to discuss the matter probably about three years ago when I was a Home Office Minister and had responsibility for it through the organised crime portfolio. She has campaigned long and hard to achieve this result. She and my hon. Friend the Member for Selby and Ainsty (Nigel Adams) deserve great credit for the fact that we have reached this point.

The hon. Lady rightly says that the creative industries are a great British success story, which is one reason why they are mentioned explicitly in our industrial strategy Green Paper. It is worth saying that the creative industries are a success because they are truly global. The European Union is not the only market that they look at; they look across the whole world, and I want to ensure that they continue to be a success.

**Mr Speaker**: We are very grateful.

**Mr Philip Hollobone** (Kettering) (Con): Does the Secretary of State agree that there has been cross-fertilisation of creative and artistic talent among all the peoples of Europe for at least several millennia, and that there is no reason to suppose that that will stop once we leave the European Union?

**Karen Bradley**: I will take your hint about brevity, Mr Speaker, and say yes.

**John Nicolson** (East Dunbartonshire) (SNP): All across Europe, our competitors in the creative industries are ready to pounce, believing that Brexit uncertainty is their opportunity. By refusing to guarantee the residency rights of EU nationals this week, does the Secretary of State realise that the Government have once again shown themselves to be a poor champion for those in this and so many other sectors in the UK?

**Karen Bradley**: We have had debates about EU nationals at length in this House and in the other place. We have been clear that we want early certainty not only for EU nationals here in the UK, but for UK nationals in
Europe. It is incredibly important that we get that reciprocal arrangement as soon as possible so that we can give that certainty.

Nigel Huddleston (Mid Worcestershire) (Con): The Secretary of State will be aware that the Select Committee on Culture, Media and Sport recently visited Belfast, where we were able to visit the “Game of Thrones” set. We asked about the EU contribution to the Northern Ireland creative industries and, to my surprise, EU funding as such did not come up but access to a UK talent pool did. Does she therefore believe that Government investment should be focused on building that talent pool?

Karen Bradley: My hon. Friend is exactly right. We need to make sure that we have the skills and talent here in the UK and that we attract the brightest and best from around the world. I look forward to visiting Northern Ireland. A few political issues are stopping me doing so at the moment, but as soon as they are resolved I will make that visit.

Leaving the EU: Charities and Voluntary Sector

2. Susan Elan Jones (Clwyd South) (Lab): What assessment she has made of the potential effect of the UK leaving the EU on charities and voluntary organisations.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): The Government are assessing the impact of leaving the EU on the voluntary and community sector. We are in ongoing discussions about the challenges and opportunities that leaving the EU presents, and I encourage charities to raise specific concerns with relevant lead Departments. We will continue to work with the sector and with devolved Administrations, including the Welsh Assembly, as we plan our exit from the EU.

Susan Elan Jones: I thank the Minister for his response and I place on record that I co-chair the all-party parliamentary group on charities and volunteering. He will be aware that this is a serious situation, with somewhere between £350 million and £450 million being seen as the Brexit shortfall, and that does not include match funding. Can we have some assurances that there will be a long-term strategy, and not just in terms of current funding?

Mr Wilson: I thank the hon. Lady for her work on the all-party group, which obviously has support both inside and outside this House and is of great benefit to the sector. On working with the sector on funding, leaving the EU means that we will want to make our own decisions on how we deliver the policy objectives previously targeted by EU funding. For projects signed after the 2016 autumn statement, funding will be honoured by the Treasury after we leave the EU if it provides strong value for money and is in line with domestic priorities.

Mr David Nuttall (Bury North) (Con): According to the Directory of Social Change, the money that charities get from the EU amounts to some 0.5% of the sector’s income. Does my hon. Friend agree that the opportunities afforded by the Government’s proposals to access dormant funds will go a long way towards covering any shortfall in funding from the EU, and might exceed it?

Mr Wilson: Indeed, I do. Last year, according to the Charity Commission, the sector received about £73 billion in income. The Government have a number of funding mechanisms that are aiding the sector now, and £5 billion of tax reliefs and other support is in place to make sure that the charity sector can go from strength to strength.

Susan Elan Jones: I thank the Minister for his response and I place on record that I co-chair the all-party parliamentary group on charities and volunteering. He will be aware that this is a serious situation, with somewhere between £350 million and £450 million being seen as the Brexit shortfall, and that does not include match funding. Can we have some assurances that there will be a long-term plan and strategy to make sure that the sector is supported.

Superfast Broadband

3. Tom Pursglove (Corby) (Con): What support her Department is giving local authorities to achieve superfast broadband coverage targets.

The Minister for Digital and Culture (Matt Hancock): I can tell the House that independent figures show that superfast broadband is now available to 92.5% of UK premises; we are on track to meet our manifesto commitment of 95% by the end of the year.

Tom Pursglove: I am grateful to the Minister for that answer. The superfast roll-out in Northamptonshire is ahead of schedule, but what reassurance can he give to my constituents in the most difficult-to-reach areas, particularly those who find themselves on county boundaries, that they will soon benefit from this roll-out, too?

Matt Hancock: My hon. Friend’s support for the Digital Economy Bill means that the universal service obligation to bring high-speed broadband to every premise in the UK is getting closer to reality. Not only that, but because of the take-up of superfast broadband, every
person in Northamptonshire who takes it up also helps to get the roll-out to go further, because more money goes back into the system to provide more connection.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): It is shameful that seven out of the 10 UK communities with the slowest broadband download speeds are in Wales. Abererch in Dwyfor is bottom of that league, with a speed of 2.7 megabits per second. Llanymawddwy in Meirionnydd was promised broadband by this spring, but BT backed out last month. Will the Minister join me in asking when the Labour Welsh Government will speed up their act on broadband?

Matt Hancock: Of course the delivery of the broadband contract in Wales is a matter for the Welsh Government, but they have made some progress on this recently and we have been working together. The geography of Wales means that the roll-out there is harder, but that does not mean we should not get to everybody with high-speed broadband by the end of the decade. I hope that the hon. Lady’s support for the Digital Economy Bill will help to make that happen.

Kevin Hollinrake (Thirsk and Malton) (Con): In my village of Tholthorpe, 12 of 100 houses have not been enabled for superfast broadband, although the rest have. Openreach could solve this problem by the simple deployment of a wireless connection, but it refused to do so. The Minister met me to discuss this, so does he agree that contractors taking public money should use all means at their disposal to solve these problems?

Matt Hancock: Yes, I do.

Chris Bryant (Rhondda) (Lab): Does the Minister accept that often, even though the Government may say they have met their targets and the broadband providers will say that they have got fantastic speeds, people in their house or in their business will experience speeds that are much, much slower and nowhere near what the Government are promising? I am not attacking the Government in saying this: I am simply trying to get reality into the equation, so that people in their homes and in their businesses can get proper superfast broadband.

Matt Hancock: Working with the hon. Gentleman on this subject has been unusually enjoyable, because he is not making party political points on this one; he has been working hard for his constituents and we have been engaging in serious correspondence. The truth is that we use independent figures on the roll-out, but a lot of people do not take up the broadband that is available to them.

Mr Speaker: We are immensely grateful to the Minister. I would call the hon. Member for Macclesfield (David Rutley) on this question if he were standing, but if he does not stand, I will not do so.

David Rutley (Macclesfield) (Con): It is good to be able to ask this question, so thank you for the opportunity, Mr Speaker. I welcome the steps the Secretary of State is taking to improve broadband services across the country and in communities across our borders—I am very grateful for that work. Will the Minister tell the House more about the full-fibre connection vouchers that were detailed in the Budget Red Book? How will they assist businesses in our rural communities?

Matt Hancock: Yes, I can. In the Budget we announced that we are going to have a full-fibre business voucher. This means that businesses will be able to access a voucher to help provide a full-fibre connection, giving gigabit speeds. The first wave of projects will be towards the end of this year or the start of next year, and I look forward to working with my hon. Friend on implementing that deal.

Mr Dennis Skinner (Bolsover) (Lab): Does the Minister think that this super-duper broadband, which is relatively new to me, will be able to expose, even more so, the Tory election fraud covering 20 seats? What a wonderful idea!

Matt Hancock: I thought that even the hon. Gentleman was going to join in this non-partisan celebration of connectivity, but unfortunately he could not resist.

Andrew Stephenson (Pendle) (Con): Data from the House of Commons Library show that the rural Higham and Pendleside ward in my constituency suffers some of the worst levels of broadband, with a quarter of residents experiencing absolutely pathetic download speeds. Will my right hon. Friend get his Department to sit down with Superfast Lancashire and Openreach to find a way forward for that ward?

Matt Hancock: Yes, we are making some progress in Lancashire, but there is much more to do. I hope that my hon. Friend’s support for the Digital Economy Bill and the universal service obligation will help to make sure that we can connect everybody in Lancashire with a decent speed over the next couple of years.

Broadcasting: Diversity

4. Kate Green (Stretford and Urmston) (Lab): What steps her Department is taking to encourage diversity in broadcasting.

The Minister for Digital and Culture (Matt Hancock): We are firmly committed to improving diversity and social mobility in broadcasting, as we are in all other areas of the creative industries. Next week, we will host the first ever formal diversity forum at the Abbey Road Studios, bringing together people from music, film, theatre, broadcasting and sport to build a country that works for everyone.

Kate Green: Will the Minister update the House on the discussions he is having and the progress that is being made on securing minimum levels of access—subtitling, signing and audio description—in on-demand services?

Matt Hancock: We have made some progress with on-demand services, and the broadcasters do a very good job of making sure that subtitling is available.
Technology has obviously changed the way people consume video, and a lot more of it is on-demand, so we are going to introduce rules to ensure that on-demand gets the same sort of subtitling.

Julian Knight: In October last year, the BBC “Look North” reporter Danny Carpenter was suspended for making vile comments about the Government, relating them to a Nazi regime. I have written several letters to the BBC to find out how its investigations are coming along, but it has not given me an answer. Does the Minister agree that although we agree with diversity of opinion and views in broadcasting, the BBC should take action regarding Mr Carpenter to prevent the recurrence of such ridiculous bias?

Karen Bradley: Yes, we should not tolerate such behaviour. However, we also need to ensure that media that are independent of Government, such as the BBC, are accountable. I am pleased that the BBC’s board has put in place a process, which will be led by Sir Peter Bazalgette, to consider how they should be made.

Dr Rosena Allin-Khan: In a previous DCMS questions, the Minister of State told the House that he had chosen four white males for the Channel 4 board and rejected a well-qualified BAME woman because he rejected tokenism. However, this week the Secretary of State failed to appoint a BBC governor to represent Wales because she could not get her way and appoint a woman who was not assessed as the best candidate. Is not the only diversity here that between the Secretary of Wales and the Minister of State, who thinks he should be the Secretary of Wales?

Matt Hancock: We rightly do not have direct Government regulation of the BBC regarding such matters, and I think that is appropriate. Nevertheless, through the new charter we are introducing Ofcom as the regulator. That will be the case once the Digital Economy Bill becomes law, after which it will be for Ofcom to regulate the BBC, and the BBC’s board will ultimately be responsible for making sure it gets these judgments right.

Matt Hancock: No. On the Welsh appointment to Wales, it is a great pity that although the Welsh Government had a representative on the panel who signed off the appointability of the candidate, the Welsh Minister then decided not to appoint. Given that the Welsh Government agreed that the candidate in question was appointable, it would be far better for the appointment to be made.

Creative Industries: Skills

5. Joan Ryan: What discussions she has had with Cabinet colleagues on skills shortages in the creative industries.

The Secretary of State for Culture, Media and Sport: I have regular discussions with Cabinet colleagues about the UK’s creative industries, and I am pleased that the creative industries are at the heart of the Government’s work on building our industrial strategy. The Green Paper includes an early sector review of the creative industries which will be led by Sir Peter Bazalgette. It is critical that our world-leading creative industries have access to the skills they need, and that is one of the three themes of Sir Peter’s review.

Joan Ryan: I do not know whether the Secretary of State is aware, but there is an acute skills shortage in the creative industries. The simplest way to change that is through apprenticeships. However, there are insufficient training establishments and not enough support for relevant small and medium-sized enterprises compared with, say, construction or engineering, and there is absolutely no history of training apprenticeships in the industry. Is the Secretary of State aware of those problems? What is she doing about them?

Karen Bradley: I am very aware of those problems. Structural issues with the creative industries have prevented apprenticeships from being included in the past. As part of the work of the Creative Industries Council, we have a specific workstream on skills, and I am in discussions with the Department for Education about how we get those apprenticeship opportunities.

Charities and Voluntary Sector: Funding

6. Peter Aldous: What steps her Department is taking to increase the number of funding sources available for charities and voluntary organisations.

The Parliamentary Under-Secretary of State for Culture, Media and Sport: I have been reforming the charities sector and widening its strength and depth as part of a long-term plan. There are a number of sources of finance. Most recently, the Dormant Assets Commission has reported that there might be up to £2 billion of additional dormant assets, which could be transformational for the sector.

Peter Aldous: I am grateful to the Minister for his reply. In Suffolk, the Community First Endowment Match Challenge was extremely successful in leveraging local donations for grassroots causes, with private giving matched to almost three times the initial donation. Will the Minister meet me and the Suffolk Community Foundation to discuss how such an endowment challenge might be reintroduced?

Mr Wilson: I am very pleased to hear about the Suffolk foundation’s success. The Community First Endowment Match Challenge raised a permanent endowment of £130 million, which has provided £5.8 million in grants to local groups up to the end of 2015. It will continue to support local community groups and projects across England in the future. There are no plans to expand this programme in the current Parliament, but I am happy to meet my hon. Friend to discuss this further and, in due course, to see whether we can consider how dormant assets are spent.

Mr Speaker: I call Stewart Malcolm McDonald. Not here. Oh dear, where is the feller?

Access to the Arts

10. Justin Madders: What assessment she has made of the access working-class people have to the arts.

The Secretary of State for Culture, Media and Sport: We seem to have moved on very quickly, Mr Speaker.

The Government are committed to ensuring that the arts are accessible to everyone, regardless of their background, and not just to the privileged few. That is
why the Government’s culture White Paper, which was published a year ago this month, sets out a range of commitments to increase access and participation, including a new cultural citizens programme for young people.

Justin Madders: Will the Secretary of State read the report on access to the professions by the all-party group on social mobility, which I chair? During our evidence sessions, we heard a great deal about how many young people are completely denied access to the arts and media because they are not prepared, or cannot afford, to take a series of unpaid work placements. That is really limiting access, so will the Secretary of State seriously consider the report’s recommendation of banning unpaid internships lasting more than one month?

Karen Bradley: I pay tribute to the hon. Gentleman for his work on the all-party group; I will look carefully at the points that he has made. This Government have done much to change the culture of unpaid internships. I for one have never taken on an unpaid intern; I have always made sure that there is fair recompense for people who make a valuable contribution to my office.

Pauline Latham (Mid Derbyshire) (Con): My right hon. Friend will be aware that the Royal Opera House regularly screens performances right around the country—I am particularly familiar with the ballet—which means that anyone can see them locally, without having to come to London.

Karen Bradley: My hon. Friend makes a very important point. The screening of the Royal Opera House’s productions across the country has widened access. I feel very strongly that we should have fantastic regional arts. Last Friday, I saw some fantastic arts in Hull, the city of culture. That amazing work was about ensuring that the arts were getting to everybody.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Secretary of State look at some of the work that we did when I chaired the Education Committee on young people’s access to the arts, including access to museums? What we found was that if a child from a more deprived background did not go on a school visit, they did not go at all, whereas middle-class children went with their parents. It is vital that we encourage schools to take kids to the arts and to museums.

Karen Bradley: The hon. Gentleman makes an important point. This Government made a manifesto commitment to keep free access to museums to ensure that access is available to all. There is no excuse for not doing so.

Arts and Culture: Local Authority Funding

11. Paul Blomfield (Sheffield Central) (Lab): What steps she is taking to mitigate the effect on the provision of arts and culture of future changes in local authority budgets. [909294]

The Minister for Digital and Culture (Matt Hancock): The Government really ought to recognise the importance of investing in local authorities to deliver these services but, given the crisis in their funding, philanthropic giving is playing an increasingly important role. The Minister will be aware, I think, of the success of “Going Public”, which is a Museums Sheffield initiative on private giving. Will he agree to meet me and Museums Sheffield to discuss what more can be done on that front?

Matt Hancock: Yes, I would be delighted to, not least because the best local authorities are increasing their investment in arts and culture, as they see its value in strengthening the sense of place and ensuring that arts are available to all. There is no excuse for not doing so.

Rebecca Pow (Taunton Deane) (Con): An innovative new organisation called Arts Taunton has just been established in my constituency to infiltrate art and culture into every aspect of our lives, including the new garden town. Does my right hon. Friend agree that this sector should have an equal weighting with other sectors and, indeed, that it can not only raise spirits, but benefit the economy?

Matt Hancock: My hon. Friend is exactly right. I commend initiatives such as Arts Taunton for embedding arts, culture and creativity in all aspects of life. It is incredibly important that people of all ages have the opportunity to participate and are encouraged to do so.

Youth Football Contracts

12. Alan Brown (Kilmarnock and Loudoun) (SNP): What discussions she has had with football associations on the status of youth football contracts. [909295]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): I am aware of concerns relating to youth football contracts in Scotland and have followed up the matter with the English football authorities in the light of this question. In relation to youth football in Scotland, I understand that the Scottish Government are discussing these matters with a range of stakeholders, including the football authorities, clubs, the Professional Footballers Association Scotland, and the Children’s Commissioner for Scotland.

Alan Brown: I thank the Minister for that answer. I presume that she is aware that the Realgrassroots campaign group has highlighted that some football clubs pay as little as £1 a week for youth football players who do 30 hours’ work. Her Majesty’s Revenue and Customs has named and shamed those clubs, but will the Minister confirm what she will do to end this exploitation?

Tracey Crouch: The hon. Gentleman will be aware that this is a devolved issue, but I understand that the Scottish Government have emphasised strongly to the Scottish Football Association and the Scottish Professional Football League that concerns must be taken seriously. We obviously take the duty of care to youngsters incredibly seriously and continue to look at this.
Broadband: Rural Communities

13. Mr Alistair Carmichael (Orkney and Shetland) (LD): What steps she is taking to improve broadband speeds in rural areas.

Matt Hancock: Yes, I would be delighted to. I am more familiar than I would ever have expected to be with Faroe Telecom’s policy because of how it has managed to roll out connectivity to the whole of those islands, and we should see whether we can do that for some of the islands in Scotland. Of course, the roll-out of superfast broadband in Scotland is done through the Scottish Government. They have been much, much slower than almost every other part of the UK—much slower than the Labour Welsh Government—but I am sure that, together, we can ensure that we bring the country together by delivering good connectivity.

Channel 4


Karen Bradley: In due course.

Graham Jones: Brevity.

The Secretary of State for Culture, Media and Sport (Karen Bradley): I am sure that, together, we can ensure that we bring the country together by delivering good connectivity.

Review of Stakes and Prizes

15. Patricia Gibson (North Ayrshire and Arran) (SNP): When she plans to publish the review of stakes and prizes.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): The Government announced a review of gaming machines and social responsibility measures, which will cover fixed odds betting terminals, on 24 October, and we expect to publish our findings in the spring.

Patricia Gibson: Will the Minister reassure the House that firm action will be taken against fixed odds betting terminals—the so-called crack cocaine of gambling? In my constituency of North Ayrshire and Arran and the neighbouring one, there are 135 of these machines, on which a vulnerable player can lose £100 in a mere 20 seconds. Will the Government protect the vulnerable by capping the machines’ maximum gambling stake at £2?

Tracey Crouch: This is all part of the review. The hon. Lady does not have long to wait to find out what we will recommend in that review.

Topical Questions

T1. [909301] Natalie McGarry (Glasgow East) (Ind): If she will make a statement on her departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Karen Bradley): Since we last had oral questions to my Department, it has launched the Government’s digital strategy, which will ensure that we have the infrastructure, regulation and skills that we need to build a world-leading digital economy that works for everyone. The Dormant Assets Commission identified a potential £2 billion in such assets, which could open up new streams of funding for good causes, and we are considering the best way to proceed on that. I visited South Korea for the third Korea-UK Creative Industries Forum, launched the UK-Korea year of culture, and signed a joint statement on co-operating on the content industry. Finally, I am sure that at least most Members will join me in wishing the England team well this weekend in their attempt to break New Zealand’s record for the most consecutive wins in top-level rugby.

Natalie McGarry: To echo what my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) said, the Secretary of State will be well aware that the maximum stake on fixed odds betting terminals is £100, which is 50 times the permitted cap on other high-street fruit machines. That particularly affects areas of severe deprivation, as there is great proliferation of these machines on high streets in such areas right across the UK. Does the Secretary of State recognise that that is an anomaly in gambling regulation and that far tougher regulation is required?

Karen Bradley: As the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), just said, we will make an announcement on this in the spring.

T5. [909300] Rebecca Pow (Taunton Deane) (Con): I know that you are a tennis fan, Mr Speaker, but women’s cricket is going from strength to strength. Will my right hon. Friend join me in congratulating Somerset county cricket ground on being selected as one of just four
locations to host the international women’s world cup this year? The big match to get to is England v. Sri Lanka, which is on Sunday 2 July. I shall be there, and you are warmly invited, Mr Speaker, as are all the ministerial team.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): I am sure that we all share my hon. Friend’s excitement at the women’s cricket world cup returning to England this summer. We are not alone in looking forward to the tournament; I understand that a record number of tickets have been sold for the final at Lord’s, which is great news. Hon. Members may be interested to know that the first games of the tournament will coincide with Women’s Sport Week, which will provide further opportunities to celebrate women’s sport and encourage participation.

Mr Speaker: The hon. Member for Taunton Deane (Rebecca Pow) is permanently excited, not only about matters of sport, but about all matters under the sun, as far as I can tell.

Mr Tom Watson (West Bromwich East) (Lab): Does the Secretary of State feel bound by the 2015 Conservative party manifesto?

Karen Bradley: Yes.

Mr Watson: Ah, very good. That is interesting, because that manifesto promised to lift the number of women on sports’ governing bodies to 25% by 2017, but it is 2017 already, and we have not achieved that. Did the Secretary of State think that nobody would notice, or, like the Chancellor on national insurance, did she not bother to read the manifesto?

Karen Bradley: We will be at 30% in 2017, which exceeds the manifesto commitment, because of the Government’s work on reforming sports governance, and our work with governing bodies to make sure that we have the right diversity and representation on those bodies.

Dr Sarah Wollaston (Totnes) (Con): Suicide is the leading cause of death of young people and the biggest killer of men under 50. The Secretary of State will know that there are clear links between certain types of media reporting and an increase in suicide rates. Will she join me in commending the work done by Samaritans through its media guidelines, and its tireless work to reduce suicide rates? Will she meet me to discuss the findings in the Health Committee’s report on preventing suicide, which is out today, given the role of the media, social media and the internet, and to discuss what we can do to reduce rates?

Karen Bradley: I commend my hon. Friend for her work on the Health Committee and look forward to reading the report. She is right that the media have an incredibly important role in helping to prevent suicides, not to cause them. I will, of course, sit down with her to discuss the matter.

T2. [909302] Clive Lewis (Norwich South) (Lab): Is the Minister aware that more than 300 local newspapers have closed in the past 10 years? While Members might enjoy reading about skateboarding ducks, such newspapers are also a critical part of our democracy. Will the Minister therefore join me in supporting the National Union of Journalists in its “Local News Matters” campaign this week, and will he meet the union to discuss this critical part of our democracy?

The Minister for Digital and Culture (Matt Hancock): Absolutely. Local newspapers are incredibly important. As constituency MPs we all engage with them, as well as with the national media. I will be happy to meet the NUJ and take part in the week, as the hon. Gentleman suggests.

Lucy Frazer (South East Cambridgeshire) (Con): Ely cathedral has benefited from funding for essential building work from the first world war centenary cathedral repairs fund. The cathedral makes a significant and real contribution to community life. What future long-term funding is there for cathedrals?

Tracey Crouch: I was delighted recently to announce additional funding for many cathedrals around the country, including Ely. Cathedrals play an important part in our appreciation of heritage in the United Kingdom, so we continue to support the Heritage Lottery Fund to ensure that it continues to invest in cathedrals and other buildings of great importance.

T3. [909305] Chris Elmore (Ogmore) (Lab/Co-op): S4C is a much-loved Welsh language public service broadcaster that was hard fought for. I am sure that the Ministers on the Treasury Bench—and you, Mr Speaker—watch it whenever they are in Wales. What are the Government doing to safeguard the future prominence of public service broadcasters, especially with regard to nations’ services?

Matt Hancock: The prominence of PSBs is important. We are ensuring that S4C gets the funding that it needs—more than £6 million last year and more than £6 million next year. We have repeatedly made it clear that we strongly support S4C, which was a great Tory invention.

Tim Loughton (East Worthing and Shoreham) (Con): In a woolf performance before the Home Affairs Committee earlier this week, managers from Google, Twitter and Facebook admitted that they do virtually nothing proactively to reduce hate speech, extremism or child abuse from being hosted on their sites. Is it not time that we proactively pursued a policy similar to German proposals that would see social media companies penalised with large fines if they failed to take down such sites within 24 hours, or to prevent them in the first place?

Tracey Crouch: I saw my hon. Friend’s comments about this in the newspapers this morning, and I reassure him that the Government are determined to do everything that we can to stamp out hate crime, which has absolutely no place in society. We have some of the strongest legislation on hate crime, and we expect social media companies to respond quickly to incidents of abusive behaviour on their networks. However, there is much more that we can do. We have just announced work on an internet safety strategy, which I will take forward.
with other colleagues, that is aimed at making Britain the safest country in the world for children and young people online.

T4. [909306] Ian Murray (Edinburgh South) (Lab): Many of my constituents have contacted me with concerns about children and young people accessing extreme internet pornography. Will the Minister tell me what the Government are doing to work with Ofcom and internet service providers to protect children and young people?

Matt Hancock: This is an important point. The Digital Economy Bill brings forward age verification processes so that all pornography cannot be accessed by those under the age of 18. ISPs will be required to block sites that do not put such age verification in place—that is incredibly important. The Bill is in the Lords at the moment but it will come back to this House shortly.

Amanda Solloway (Derby North) (Con): I add my excitement to that of my hon. Friend the Member for Taunton Deane (Rebecca Pow), because the women’s cricket world cup will actually launch in Derby. I recently discovered my inner warrior when playing rugby with England Rugby and my local Derby team—in fact, I made my first tackle—so will the Secretary of State tell me what we are doing to encourage more women to play sports?

Karen Bradley: I know from personal experience that Derby has fantastic sporting opportunities for everyone. It is incredibly important that more women play sport and feel that they can take part. The “This Girl Can” campaign, for which I am sure my hon. Friend has seen the television advertisements, is part of that, as is the fantastic women’s cricket world cup. I know that one of the matches is in Derby, but I have to confess that I am going to the one in Leicester.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Following on from the question from my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown), I met Realgrassroots, which explained that it had been campaigning against the exploitation of young footballers since 2010 and that the Scottish Parliament is investigating the issue. Will the sports Minister meet me to discuss it further, and commit to ensuring that football clubs abide by basic employment legislation, the enforcement of which is reserved?

Tracey Crouch: I am always delighted to meet honourable colleagues, and I would be delighted to meet the hon. Gentleman, too.

**ATTORNEY GENERAL**

The Attorney General was asked—

**Great Repeal Bill**

1. Marion Fellows (Motherwell and Wishaw) (SNP): What recent discussions has he had with the Secretary of State for Exiting the European Union on the requirement for legislative consent motions for the proposed great repeal Bill.

The Attorney General (Jeremy Wright): I have regular discussions with ministerial colleagues, including with my right hon. Friend the Secretary of State for Exiting the European Union, on various issues of importance to the Government. The Government will publish the great repeal Bill in due course, and the content of the Bill will determine the process to take it forward.

Marion Fellows: Last month, the Secretary of State for Scotland confirmed that a legislative consent motion would be required from the Scottish Parliament for the great repeal Bill, but in his answer just now the Attorney General stopped well short of that. If the UK Government’s position is the same as the Secretary of State for Scotland’s, will a legislative consent motion be required?

The Attorney General: The hon. Lady tempts me to explore what will be in the great repeal Bill. I am not going to do that, but she knows, and I am sure her colleagues know, that if the Bill affects the legislative competence of the Scottish Parliament or the executive competence of the Scottish Government, there will need to be a legislative consent motion.

Mr David Nuttall (Bury North) (Con): Does my right hon. and learned Friend share my concern that people might be slightly misled by our referring to the proposed great continuity Bill as the great repeal Bill? Although it will repeal the European Communities Act 1972, it is actually the great continuity Bill, because its other purpose is to transfer the body of EU law into UK law.

The Attorney General: My hon. Friend makes a fair point. He is right to say that this Bill will repeal the 1972 Act, and that is a significant step in this country’s history, but it will also, as he says, make sure that we do not have huge amounts of disruptive change for business, industry and individuals, and we will try to make sure that there is as much continuity on the day after departure as there was on the day before departure, where that is feasible.

Mark Durkan (Foyle) (SDLP): Does the Attorney General envisage that there will be consent motions under EVEL provisions in respect of any of the potential clauses in the great repeal Bill?

The Attorney General: Again, we shall have to wait and see the content of the Bill, but it is unlikely—that is likely to be in the Bill, and given the purpose of the Bill—that we will be looking at very many areas, if any at all, that do not affect the entire United Kingdom.

Nigel Huddleston (Mid Worcestershire) (Con): Can the Attorney General clarify whether any of the devolved Administrations effectively have a legal veto over our decision to leave the European Union?

The Attorney General: I can, and they do not.

Chris Bryant (Rhondda) (Lab): Can the right hon. and learned Gentleman confirm that the Bill will not be called the great repeal Bill?

The Attorney General: I suspect that we will find a rather more technical title for the Bill when it comes forward.

Richard Arkless (Dumfries and Galloway) (SNP): I must admit to being confused by the Attorney General’s answers. Clearly, the great repeal Bill, as indicated by
the Supreme Court, will affect devolved competences. The Secretary of State for Scotland has said an LCM is required. Why are the Government hesitant? Can the Attorney General not be clear? Will an LCM be required for the great repeal Bill, because it affects devolved competences?

The Attorney General: The Supreme Court was not deciding on this Bill; it was deciding on a Bill that the Government have now passed, and which I hope will receive Royal Assent very shortly. However, in relation to the contents of this Bill, whatever it ends up being called, the hon. Gentleman will have to be patient and wait until we see it. As I set out to his colleagues, there is a clear set of expectations as to when LCMs will be required, and the Government will honour those expectations.

Economic Crime

2. Diana Johnson (Kingston upon Hull North) (Lab): What steps the Government are taking to ensure that the Crown Prosecution Service has adequate resources to tackle serious fraud and other economic crimes.

The Solicitor General (Robert Buckland): The Crown Prosecution Service anticipated increases in complex cases such as fraud ahead of the last spending review, and there was indeed a 14% increase in fraud and forgery cases last year, but, importantly, the conviction rate stayed stable at 86%.

Diana Johnson: With a third of the workforce cut since 2010—400 prosecutors and 1,000 administrators and caseworkers—does the Solicitor General really consider that the CPS is able to deal with these complex fraud and economic cases, and will not any further cuts leave it in a really bad state to prosecute?

The Solicitor General: I assure the hon. Lady that the allocation of resources for the prosecution of fraud has increased within the CPS. There are now over 200 specialist fraud prosecutors, not just here in London but across the country in important regional centres, and that number is set to increase to 250 in the months ahead, so the CPS is really placing an important priority on this.

Robert Neill (Bromley and Chislehurst) (Con): Does the Solicitor General agree that the work of the Crown Prosecution Service in this area is very much complemented in cases of really serious economic fraud by the work of the Serious Fraud Office, which has been transformed under the leadership of David Green, resulting in the recovery of over £500 million of ill-gotten gains? Does he agree that the model of the Serious Fraud Office does this country great credit and will be of increasing value to us in future?

The Solicitor General: I am grateful to the Chairman of the Select Committee, does not the existence of the Serious Fraud Office reduce pressure on the Crown Prosecution Service in terms of prosecuting big-ticket economic crime? Will the Solicitor General therefore guarantee that the Serious Fraud Office will continue to exist as it is and will not be merged with the Crown Prosecution Service or the National Crime Agency?

The Solicitor General: The hon. Gentleman knows that the Government are at all times under a duty to review the mechanism by which we tackle economic crime, because it is a question not just of criminality but of national security. The Government are therefore right to examine the situation. As I said, I think the Roskill model works extremely well.

Nick Thomas-Symonds: I did not detect a guarantee in that answer. A month ago, the Solicitor General praised the work of the director of the Serious Fraud Office and how he had enhanced the role of the Serious Fraud Office in our national life. I know that the hon. and learned Gentleman has fine persuasive skills, so if he will not give a guarantee, will he at least undertake to go to see the Prime Minister to speak about the advantages of the Serious Fraud Office and having investigatory and prosecuting services under one roof?

The Solicitor General: I am happy to indicate to the hon. Gentleman that I have regular conversations with ministerial colleagues about all these issues. I praise David Green for the work he has done in leading the SFO. I will continue to make the case for the Roskill model.

Mr Philip Hollobone (Kettering) (Con): I suspect that those who have the necessary financial expertise to investigate, uncover, prosecute and prove complex financial fraud will probably get paid a lot more in the private sector working for business or the City. What can the Solicitor General do to ensure that the right people with the right skills are retained by the CPS and the SFO?

The Solicitor General: My hon. Friend knows that the SFO operates a model of funding that means it can be quite flexible as regards particular investigations. The important point is that we get the right people with the right specific expertise in particular types of serious fraud. Flexibility is the most important principle.

Tim Loughton (East Worthing and Shoreham) (Con): Everybody knows that there is a lot of hot money in the London high-end residential market, especially coming from Russia, and there are extensive reporting regulations on financial advisers and agents, so why have there been so few prosecutions for money laundering in this area?

The Solicitor General: I share my hon. Friend’s concern about this. He will be glad to know that the provisions in the Criminal Finances Bill, which I hope will become law very soon, will enhance the powers of prosecutors and investigators in going after ill-gotten gains with new measures such as unexplained wealth orders, which will help us to deal with the perpetrators of this type of fraud.
Domestic Violence

3. Paul Blomfield (Sheffield Central) (Lab): What discussions he has had with Cabinet colleagues on the effectiveness of the Crown Prosecution Service in prosecuting cases of domestic violence. [909273]

Mike Kane: What discussions he has had with Cabinet colleagues on the effectiveness of the Crown Prosecution Service in prosecuting cases of domestic violence. [909281]

The Attorney General (Jeremy Wright): The Prime Minister has recently restated her personal, and the Government's collective, commitment to tackling domestic violence and abuse. My colleagues in Cabinet and I will work together to take that forward. That work will include considering how we can support the CPS in bringing prosecutions against perpetrators of domestic violence.

Paul Blomfield: Ashiana, which is a great Sheffield charity working on domestic violence in the black, Asian, minority ethnic and refugee communities, has raised its concerns with me over the appallingly low prosecution rates for female genital mutilation and honour-based violence. The Attorney General will know that there have been no successful prosecutions for FGM. I am sure he shares my concern about that, but what is he going to do about it?

The Attorney General: I do share the hon. Gentleman's concern about that. He may be aware that there are often considerable evidential difficulties in proving these offences in court, but that does not mean that we should not bring appropriate cases before criminal courts and seek to gain convictions. The Crown Prosecution Service will continue to do that. In relation to domestic violence more broadly, he may know that the volume and conviction rate of prosecutions are rising, on the basis of the last year for which we have figures compared with the year before, but he is right to point out specific areas where we need to do better.

Mike Kane: Survivors of domestic abuse in my constituency in the excellent Safe Spots group tell me that right out of the gate, they cannot access the criminal justice system because they have to pay a discretionary fee to their doctor for a note to access legal aid, which can cost up to £175. Will the Attorney General consider talking to his Department of Health colleagues about whether we can scrap this fee for those people?

The Attorney General: I will certainly explore the issue that the hon. Gentleman raises. I think he is indicating that there are a number of different things that we need to do to support those who are victims of domestic violence. This is not solely a criminal justice issue, but if people are to access the criminal justice system, we need to do as much as we can to make the process as easy it possibly can be for them. If victims of domestic violence are unwilling to give evidence, that should not necessarily be the end of a prosecution. We have seen recently with the use of body-worn video cameras that the police can sometimes give evidence that can secure a conviction, even if the victim is not prepared to give evidence.

Andrew Stephenson (Pendle) (Con): Will the Attorney General work with the Justice Secretary to ensure that changes to the law on domestic abusers cross-examining their victims are fit for purpose, and that they adequately protect victims in our family courts?

The Attorney General: Yes, I agree with my hon. Friend. He will know that in a criminal context, courts already have the authority to stop alleged domestic violence perpetrators cross-examining their alleged victims directly. Family courts need to have such a power, too. He will know, I am sure, that the Government intend to make sure that they do have that power, and I understand that that will form part of a Bill that will come before the House very shortly.

Violence Against Women and Girls

4. Amanda Solloway (Derby North) (Con): What steps the Crown Prosecution Service is taking to increase the number of prosecutions for violence against women and girls. [909274]

Amanda Solloway: What is the CPS doing in the Derbyshire area to ensure that more perpetrators of violence against women and girls are brought to justice?

The Solicitor General: The CPS is prosecuting and convicting more defendants of domestic abuse, rape, sexual offences and child sexual abuse than ever before. Under the cross-Government violence against women and girls strategy, the CPS has committed to a number of actions between now and 2020 to ensure the effective prosecution of these offences.

Lucy Frazer: In Cambridgeshire in 2015-16 there was an increase in the number of convictions for violence against women and girls to 1,031. What is being done to use technology to improve the gathering of evidence for these crimes?

The Solicitor General: As my right hon. and learned Friend the Attorney General has just mentioned, the CPS and the police are embracing the use of technology. The use of body-worn cameras, which is being rolled out across the country, will transform conviction rates and the number of guilty pleas when the evidence is clear and overwhelming in these cases.

Mr Peter Bone (Wellingborough) (Con): Much of the violence against women and children is caused by human traffickers. Does the Solicitor General welcome the announcement today of an investment of £6 million by the Home Secretary in fighting modern-day slavery? We are really leading Europe on this issue.
The Solicitor General: My hon. Friend is absolutely right to link modern-day slavery with violence against women and girls. He knows from his leadership on this issue that if there is a co-ordinated approach to these problems, victims can be identified and perpetrators can be brought to justice. This is yet another welcome milestone along the road in our world leadership on these issues.

Article 50

6. Natalie McGarry (Glasgow East) (Ind): What are the legal and administrative costs incurred by the Government were of the Supreme Court appeal on article 50. [909277]

The Attorney General (Jeremy Wright): The article 50 litigation concerned an important constitutional issue that it was right for the Supreme Court to consider. The Court considered both the Government’s appeal in England and Wales proceedings and five devolution questions referred by the courts in Northern Ireland after a judgment favourable to the Government. The Secretary of State for Exiting the European Union has committed to publishing the total cost figures in due course.

Natalie McGarry: The Secretary of State for Exiting the EU has praised the article 50 debate as among the best he has heard in the Chamber. Will the Attorney General attest whether the cost to the public purse of preventing this House from having a meaningful and democratic debate was well spent or a waste of public money?

The Attorney General: It is not a waste of public money to explore an issue of this constitutional significance in the highest court in the land, and that is what happened. Of course, if the hon. Lady were right that this was a complete waste of money, three Supreme Court Justices would not have found in favour of the Government’s arguments. She will also be aware—I must gently point this out to her—that some of the money spent by the Government was spent on responding to arguments made by the Scottish Government that were rejected unanimously by the Supreme Court.

Tom Pursglove (Corby) (Con): I think that just proves that you’re damned if you do and you’re damned if you don’t with the Scottish National party. Does my right hon. and learned Friend agree that, ultimately, we cannot put a cost on defending democratic principles such as this?

The Attorney General: My hon. Friend is right. Again, I think there is merit in ensuring that the highest court in the land has the chance to consider a very significant set of constitutional questions. It has done that and produced its judgment. The Government have complied with that judgment, and the House of Commons and the House of Lords have passed a Bill accordingly.

Criminal Corporate Liability

7. Sir David Amess (Southend West) (Con): What steps are the Government taking to reform criminal corporate liability.

The Solicitor General (Robert Buckland): The Bribery Act 2010 “failure to prevent” offence is holding corporate offenders to account for criminal activity. We are introducing a new offence of failing to prevent tax evasion in the Criminal Finances Bill. Building on this, the Government have published a call for evidence to explore the options for further reform, including extending the “failure to prevent” offence.

Sir David Amess: Will my hon. and learned Friend look very carefully at the way in which Uber operates? In the past year, it paid £411,000 in tax. I have been inundated with complaints from traditional taxi drivers about the seemingly unfair, unscrupulous and unregulated way in which Uber deploys its drivers.

The Solicitor General: I listened with concern to my hon. Friend’s question. As I have said, there will be a new corporate offence of failing to prevent tax evasion. If there is evidence of criminality, I urge my hon. Friend and others to report such matters to the police.

Hare Coursing

8. Dr Caroline Johnson (Sleaford and North Hykeham) (Con): What discussions has the Director of Public Prosecutions had on rates of prosecution for hare coursing. [909279]

The Solicitor General: I have regular meetings with the Director of Public Prosecutions at which a variety of issues are discussed. The CPS takes the prosecution of hare coursing very seriously. I understand that the chief Crown prosecutor for the east midlands has recently had a meeting with the police and crime commissioner and the chief constable of Lincolnshire at which this issue was discussed.

Dr Johnson: Not only is hare coursing cruel to the hare, but it causes economic damage and is causing increasing fear in our rural communities. What is the CPS doing to ensure that prosecutions for hare coursing are successful, and to help to put a stop to this crime?

The Attorney General: I know that my hon. Friend, who represents a rural constituency, is dealing with this issue and working with local farmers and others to try to combat it. Each Crown Prosecution Service area has a wildlife co-ordinator so that the knowledge needed to prosecute these offences is readily available. The CPS works closely with the police and other wildlife communities to tackle this serious scourge.

Imminent Threats

10. Rehman Chishti (Gillingham and Rainham) (Con): What the Government’s policy is on which factors to take into account when deciding whether responding to an imminent threat is permitted under international law. [909282]

The Attorney General (Jeremy Wright): It is the long-standing position of successive UK Governments that a state may use force in self-defence not only in response to armed attacks but to prevent an armed attack that is imminent. In each exercise of the use of force in self-defence, the UK asks itself questions such as: how certain is it that an attack will come; how soon do we believe an attack could be; what could be the scale of the attack;
could this be our last opportunity to take action; and is there anything else we could credibly do to prevent that attack?

Rehman Chishti: I thank the Attorney General for that answer. Does he agree with me that there is an important difference between the threats we face now and the threats that have not materialised but that may develop later?

The Attorney General: My hon. Friend makes a good point, and there is a significant difference between those two things. What I have sought to make clear is that the UK Government are saying they have authority under the law to respond to threats that have emerged, not to threats that may yet emerge in the future but have not yet done so.
coalition no increase in tuition fees but they did it—that
they thought they could do it again. There is a real piece
of work to be done on national insurance contributions.
Bizarrely, the Government instigated the Taylor review,
which is due in June, having already put the policy
through. They should have given businesses the time to
plan for the increase. It is very hard for small businesses
to find extra money suddenly. Instead of coming to the
Chamber, the Prime Minister took to the podium in
Brussels to announce that the policy had been deferred.
The Chancellor came to the Chamber on Wednesday.
The Chancellor seems to have fallen down his own
black hole—tell that to Stephen Hawking.

What of the confusion and chaos that is Brexit? As
more and more Select Committee reports are published,
may we have a timetable of when and how they will be
debated? The Government seem to be fixated on an
unamended Bill going through Parliament, rather than
preparing the country for what is to follow. The Foreign
Affairs Committee report on the implications of no
deal said that the Government refused to give evidence,
saying it would be nothing more than an exercise in
guesswork. However, the Committee's report stated:

"The consequences of such a failure are far from 'an exercise in
guesswork'. They are, in scope if not in detail, largely predictable—and,
in...evidence...have been predicted.'"

The report recommended that each Department should
"produce a 'no deal' plan...setting out proposals to mitigate...risks."

Will the Leader of the House tell us whether that will
happen, and whether those plans will be reported to the
House? Pages 97 and 98 of the report “Brexit: trade in
goods”, published by the other place, remind us that
"The EU is, by a significant margin, the UK’s biggest trading
partner... Many UK businesses cannot easily substitute their
imports from the EU with UK products."

What help will businesses be given to secure those new
suppliers—or are the Government abandoning small
businesses?

Let me now raise the issue of the west midlands
leaflet. Apparently, a leaflet produced by another candidate
for the post of west midlands mayor—a member of the
same party—suggested that Siôn Simon did not ha ve
any experience. In fact, Siôn Simon is a former Member
of Parliament, a former Minister and a Member of the
European Parliament, so he is quite experienced enough
to take the west midlands forward after Brexit.

Women are not just for International Women’s Day,
but for life. We are currently celebrating women's history
month as we continue to tell “herstory”. On 21 March,
in the Commonwealth Parliamentary Association Room,
there will be a lecture on Constance Markievicz, who
was the first woman to be elected to Parliament but did
not take her seat. International Anti-discrimination
Day falls on the same date. Will the Leader of the
House find time for a debate on “Race in the workplace:
The McGregor-Smith Review”? Staff at the Equality
and Human Rights Commission are being sacked, but
it is that organisation that should be implementing the
recommendations of the report, which states:

“If BME talent is fully utilised, the economy could receive
a £24 billion boost.”

That would fill the £2 billion hole in the Budget.

Not only is it good for the economy to use all the
talents, but using all the talents is the right thing to do
for the common good, in a good society.
Mr Lidington: Let me begin by joining the hon. Member for Walsall South (Valerie Vaz) in wishing everyone, particularly our colleagues from Northern Ireland and colleagues with Irish ancestry, a happy St Patrick’s day for tomorrow. It is one of those occasions which, whatever the divisions in Northern Ireland, tends to bring all sides together in a common celebration.

The hon. Lady asked whether I could confirm or deny a possible date for the Queen’s Speech. I am afraid that the answer is no.

The Government have made very clear that we are pressing ahead with the Taylor review, which will be a very important study of and report on the way in which digital technology is changing our notions of employment. I am sure that Matthew Taylor will produce a number of specific and challenging recommendations, which the Government will want to take seriously.

The hon. Lady asked about exit from the EU. There is provision in our arrangements for debates on Select Committee reports, which from time to time are chosen either by the Backbench Business Committee or the Liaison Committee in the time that is allotted to them. I do not fault the willingness of Ministers—and, in particular, the willingness of my right hon. Friend the Secretary of State for Exiting the European Union—to appear before the House and before Select Committees to answer the questions that Members quite reasonably ask. Detailed work is taking place, not only in my right hon. Friend’s Department but throughout Whitehall, to examine the potential impact of various possible outcomes of the negotiations on the different sectors of our economy, and it is obviously sensible for us to consult those sectors closely about possible scenarios.

I am happy to join the hon. Lady in celebrating women’s history month. I hope that, as well as a celebration of the achievements of people such as Constance Markievicz and Nancy Astor, there will be a proper salute to the two women Prime Ministers of this country.

I completely agree with the hon. Lady about the importance of harnessing all the talent and energy of our fellow citizens from the black minority ethnic communities. While it is in part down to having the right sort of equalities and anti-discrimination legislation, I hope that the House acknowledges that getting it right also means encouraging people from those communities to believe that everything is possible for them in our country. I am heartened by having seen in the time that I have been in this place ever more men and women from our black and other minority communities playing a leading role in mainstream life in my constituency and nationally, whether in business, the media, the arts, the professions or politics at both local and national level.

I do not blame the hon. Lady for wanting to try to find something nice to say about the Labour candidate for the west midlands mayoral election, but while I am the first to acknowledge the hard work and dedication of people who serve in the European Parliament, I think that in respect of having executive authority for the midlands engine—one of the real heartlands of our national economic life—the commercial experience of Andy Street puts him head and shoulders above his competition.

ROYAL ASSENT

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:

Supply and Appropriation (Anticipation and Adjustments) Act 2017

Business of the House

Proceedings resumed.

10.46 am

Bob Blackman (Harrow East) (Con): The Chairman of the Backbench Business Committee, the hon. Member for Gateshead (Ian Mearns), is unfortunately once again unable to be with us, so may I just gently remind my right hon. Friend the Leader of the House that we have an ever-growing queue of applications for debates? Would he therefore consider allowing protected time, particularly on Thursdays, for Backbench Business debates? That might mean that this House would sit slightly later, but it would also mean that we could get at least two debates in and clear the decks.

Speaking on my own behalf, the Mayor of London has not only called in, but directed approval of, a planning application in Harrow which comprises two tower blocks next door to two-storey housing. The planning committee of Harrow Council has on a cross-party basis rejected this unacceptable planning application. The Mayor of London has called it in and directed approval, against the wishes of Harrow Council, all the residents and everyone—and not only that, it is hideous. May we have a debate on planning in London?

Mr Lidington: It was good to see the Chair of the Backbench Business Committee in his place earlier this week and I hope it will not be long before he is again playing a regular part in our Thursday exchanges. In the meantime, I say to my hon. Friend that we always take seriously the Backbench Business Committee’s requests for time, but the reality is that there is pressure on both Government and Backbench Business time and we must all select priorities. I am very happy to look at the case my hon. Friend and the Committee make for protected time on specific Thursdays, but I would be reluctant to agree a general rule for all Thursdays because sometimes Backbench Business debates peter out before the allotted time has been completed—that may be rare, but it does occasionally happen. I think my hon. Friend will acknowledge that we have in the past tried, where we know that there are statements coming, to protect the Backbench Business agenda.

On my hon. Friend’s point about Harrow, he, as always, speaks strongly on behalf of his constituents, and I am sure he will seek to catch your eye, Mr Speaker, for a possible Adjournment debate.

Pete Wishart (Perth and North Perthshire) (SNP): May I thank the Leader of the House for announcing the business for next week and wish everybody a happy St Patrick’s day?

There is so much kicking around this morning that it is difficult to know where to start, but how about we start with securing an urgent statement on the Electoral Commission’s record fine on a political party for breaching electoral law? We need to hear in that statement that this Government are taking these allegations seriously, and not hitting out petulantly, as some Members have done this morning, at the Electoral Commission and treating it with contempt. Our electoral laws are critically important to protecting our democracy, and the Conservative party will now be investigated by the Metropolitan police, just as I asked the police to do last year. A sum of £70,000 is absolute peanuts to the Conservative party, so will the Leader of the House now say today that it will fully comply, and take part in every single one of those police investigations? This could well be the “cash for honours” of this Parliament.

May we have a debate on automotive manouevres? The screeching of yesterday’s U-turn on national insurance contributions is still ringing in our ears, and the skid marks go all the way from here to the doors of No. 10. I do not think we have ever seen a Budget unravel as dramatically as last week’s has done. Perhaps we need to get our Budgets manifesto-proofed, or perhaps we should get Laura Kuenssberg to deliver next year’s Budget from the Dispatch Box.

Lastly, will there be a statement from the Government approving a section 30 order to approve a legal independence referendum if, as is likely, the Scottish Parliament votes next week to request one? Surely there can be no case for standing in the way of democracy or defying the will of the democratically elected Parliament in Scotland. I say ever so gently to the Leader of the House that if this Government are thinking for one minute of standing in the way of Scottish democracy, that would be the biggest possible recruiting sergeant for the cause of Scottish independence.

Mr Lidington: The Government will of course consider carefully any recommendations from the Electoral Commission for a change in regulatory powers. We are already considering a number of possible changes to electoral arrangements, following the report by my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) on electoral corruption. I have to say to the hon. Member for Perth and North Perthshire (Pete Wishart), however, that complaints from his party, of all parties, about the use of battle buses are more than a little odd. It is not exactly a secret that, at the 2015 general election, the Scottish National party flew Nicola Sturgeon from constituency to constituency in a battle bus. Is it not a little odd, therefore, that complaints from his party, of all parties, about the use of battle buses are more than a little odd?

Mr Speaker: Order. The Leader of the House must not use that last word. He is a versatile fellow: he can use another word, and I feel sure that it will spew forth immediately.

Mr Lidington: I am happy to withdraw that. I make no allegation against any hon. Member, but I think that the party in question has not displayed consistency of approach when it comes to this matter.

The hon. Gentleman asked me about a referendum in Scotland. Obviously we will want to look at whatever request might come from the Scottish Parliament in due course when it has debated whatever motion is put before it, but I say gently to him that the autumn statement and the spring Budget together have given roughly £1.25 billion of extra spending to the Scottish Government and Scottish Parliament, and that they could use that money to reduce the tax hikes on businesses and middle income families in Scotland. They could also use it to improve failing schools in Scotland, or to help struggling hospitals in Scotland. That would be a much better service to the people of Scotland than posturing about a further referendum.
Several hon. Members rose—

Mr Speaker: I call Mr Charles Walker.

Mr Charles Walker (Broxbourne) (Con): Oh sorry, Mr Speaker, you took me by surprise!

Mr Speaker: As the hon. Gentleman was standing and seeking to catch my eye, his expression of incredulity is perhaps a tad misplaced.

Mr Walker: And as I am only the Chair of the Procedure Committee, these things are lost on me!

May we have an urgent debate on the conduct of the Hertfordshire local enterprise partnership in relation to its possible misuse of £6.5 million of public money to promote and ease a planning application on behalf of Veolia? The relationship between Veolia, the LEP, Hertfordshire County Council, the relevant planning authority and the owner of the Veolia contract is too close to carry the confidence of my constituents.

Mr Lidington: As always, my hon. Friend makes his point powerfully on behalf of his constituents. I note that he has been successful in securing an Adjournment debate on Thursday 23 March, so I am sure that he will pursue those arguments then.

Mr Speaker: He certainly has been.

Dawn Butler (Brent Central) (Lab): I would like to sign my question. Is the Leader of the House aware that 18 March marks the 14th anniversary of the UK Government’s recognising British sign language? Will he agree time to debate giving British sign language legal status like other recognised languages?

Mr Lidington: The hon. Lady has eloquently reminded us of the importance of British sign language to a number of our fellow citizens who live with deafness or a severe hearing impairment. The Department for Work and Pensions has under way a review of the provision of signing services in this country and has received several hundred submissions. The Secretary of State for Work and Pensions will bring forward the conclusions in due course. I can also tell the House that the Department for Education plans to accept British sign language as an alternative qualification to functional skills in English within apprenticeships, which I hope will be one step towards giving opportunities to more people who live with deafness to play a full part in the labour market.

Sir David Amess (Southend West) (Con): Will my right hon. Friend find time for a debate aimed at promoting projects to deter young people from drinking to excess and taking drugs? I recently saw the Smashed Project perform at St Thomas More High School, and I am convinced that a hard-hitting message can make a real impact.

Mr Lidington: I share my hon. Friend’s concern about the devastating impact that drug and alcohol misuse can have on the lives of too many young people and their families, who are often distraught about what has happened to a loved son or daughter. The Government take a broad approach to prevention, supporting investment in a range of different programmes. We announced earlier this week new funding for Mentor UK to continue to deliver the ADEPIS programme, which includes a range of resources to give young people the tools and confidence they need to resist being drawn towards drug misuse in the first place.

Paul Flynn (Newport West) (Lab): When can we debate early-day motion 1079, which covers the House’s abject failure to deal with the potentially corrupt revolving door between ministerial office and outside jobs?

[That this House recalls former Prime Minister David Cameron’s condemnation in 2010 of politicians who are out to serve themselves and not the country by lobbying; notes the abject failure of the Government’s watchdog, the Advisory Committee on Business Appointments, to reduce the abuses of the potentially corrupting revolving door between ministerial office and big business lobbying; and calls on the Government to establish an effective watchdog that would enhance the House’s reputation for probity, removing the opportunities for former Ministers to sell their inside knowledge and contacts for financial advantage by prohibiting their lobbying for companies they influenced or regulated in their Ministerial roles.]

The temptation is there for former Ministers to use their insider knowledge and contacts for their private gain. How is it right that the Advisory Committee on Business Appointments, which is responsible for approving such appointments, saw fit to give its blessing to a former Minister receiving £13,000 a day in addition to his parliamentary salary? Does that not bring this House into deeper disrepute?

Mr Lidington: It is right that we have a committee that is not part of the Government and not a Committee of this House or the other place to make rulings on individual cases. It is important that former Ministers stick to the proper procedures in seeking clearance before taking on any new external appointment.

Mr Christopher Chope (Christchurch) (Con): Now that the Government have expressed their determination to honour both the letter and the spirit of manifesto commitments, may we have an urgent debate on how the Secretary of State for Communities and Local Government can be persuaded to honour the letter and the spirit of the Government’s commitment to Parliament and to my constituents on 7 December 2015, as reported in column 822 of Hansard, that they would not force structural change on any local authority against its will?

Mr Lidington: As he has done previously, my hon. Friend speaks strongly about the continued existence of Christchurch Borough Council. He will continue to press the matter strongly with Ministers, and I am sure that his opportunity will arise in an Adjournment debate at some point.

Rachael Maskell (York Central) (Lab/Co-op): Following a High Court judgment, the Government have to produce a new air quality plan by next month. Fifty thousand people a year die as a result of air pollution, which has an impact on my congested city of York. Even in Micklegate ward, we have five poor air quality hotspots. May we have debate in Government time about the steps that are needed ahead of the publication of the air quality plan so that we can have a real input into the Government’s plans?
Mr Lidington: The Government have given that very clear undertaking. There was a plan in place that the courts deemed to be inadequate, and the Government will respond to that court judgment by July. The right occasion for Parliament to consider the issue in greater detail will be when the plan is available.

Mike Freer (Finchley and Golders Green) (Con): As the economy continues to thrive, the claimant rate in my constituency is just 1.9%, but the local economy is quite dependent on European workers. Can we have a debate in Government time on how we can have a sensible work permit system for those valuable workers post-Brexit?

Mr Lidington: My hon. Friend makes an important point and reminds us that, when debating immigration policy, we should not get trapped into criticising people who come here from European countries and elsewhere to play an important part in our economy by working hard, paying taxes and contributing to our society. As he knows, the Government are committed to trying to agree a reciprocal deal on the status of EU nationals here and British nationals in the 27 other EU countries at the earliest possible stage of the negotiations. Although we will need a system of immigration controls subsequent to our exit from the European Union, we are alive to the need to be sensitive to British industry’s continuing need to staff posts.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Last week the Leader of the House assured me that the Government are seeking urgent clarification from the Israeli authorities on the new law banning foreigners who call for the boycotting of illegal Israeli settlements in the Occupied Palestinian Territories. There has been a week of absolute silence from the Foreign Office on that issue and, on Monday, Hugh Lanning, chair of the Palestine Solidarity Campaign, was the first UK citizen to be deported from Israel following the passing of that law. May we please have a statement from the Foreign Office clarifying how the application of the law will affect UK passport holders and UK foreign policy?

Mr Lidington: The straight answer is that, since the hon. Lady raised the issue with me last week, we have not yet had the detailed clarification that we are seeking from the Israeli Government. As a result, the permanent secretary at the Foreign Office is raising the matter directly with Israeli officials this week.

Mr Peter Bone (Wellingborough) (Con): I am grateful for the fact that you have called me before calling any Liberal Democrat Member, Mr Speaker. This week unemployment, at 4.7%, was at its lowest rate since the summer of 1975. It has always been a rule of thumb that Labour Governments increase unemployment and Conservative Governments reduce it, but there is another link—[Interruption.] I apologise to Labour Members, but the link is clearly different. What happened in the summer of ’75? That was when the country decided to stay in the European Economic Community, so unemployment has gone up all the time we have been in, and now we are coming out, it is going down. May we have a debate on that?

Mr Speaker: The hon. Gentleman has already had the debate.

Mr Lidington: The growth in employment and the fall in unemployment should be welcomed unreservedly on both sides of the House, and it is due to the hard work and enterprise of British business in creating jobs and to the Government’s creating an economic climate in which businesses want to invest and are willing to hire people. I hope that every Member, whichever party they come from, will welcome the fact that unemployment is now at its lowest since 1975 and that employment is at its highest in our country’s history.

Keith Vaz (Leicester East) (Lab): As the Leader of the House knows, next week marks the second anniversary of the conflict in Yemen that has resulted in the death of 10,000 Yemeni people and brought that country to the brink of famine. The Yemeni people now face the four horsemen of the apocalypse: al-Qaeda, Daesh, starvation and airstrikes. When can we have a debate on that important subject? Britain holds the pen on Yemen so far as that matter is concerned, and it is vital that the House is updated before Yemen slides into the greatest catastrophe of this century.

Mr Lidington: We all share the right hon. Gentleman’s sense of horror at what has happened in Yemen. The British Government are extremely active in the international work, but it would be foolish to pretend that we have a quick and easy solution to this conflict. We continue to support the tireless efforts of the UN special envoy to broker an agreement between the warring parties inside Yemen, just as we continue to commit large sums of our overseas aid budget to relieve humanitarian suffering in Yemen. That political work and that humanitarian work will continue.

Martin Vickers (Cleethorpes) (Con): In the unlikely event of the Scottish people following the advice of the Scottish National Party and voting for independence, they would be very much poorer. Many of my constituents are already concerned about the foreign aid budget. May we have a debate on the aid budget, so that the Government could make it clear that they will not sanction an increase in order to bail out the Scots?

Mr Lidington: There is some really good news for Scotland: since 2010 employment in Scotland has gone up by 171,000; 90,000 fewer Scots are out of work, and women’s employment in Scotland has gone up by 76,000. We should celebrate that.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Leader of the House might know that people in Huddersfield are deeply disappointed in a Budget that does so little for the NHS and for our hospital accident and emergency unit, which might be closed. But they are good people in Huddersfield, so they wanted me to prioritise today in this House the need to do something to save the children starving in east Africa. We must have a debate on that, raise consciousness about it and get this country to donate to save those children and families from starvation.

Mr Lidington: The hon. Gentleman makes a good point about the need to remember that humanitarian crisis in east Africa. The Department for International Development is extremely focused on that, but anything that can be done to raise public consciousness about the need for charitable donations to supplement the Government’s work is very welcome.
Tom Pursglove (Corby) (Con): Last Friday, I visited Great Addington Church of England Primary School, where I was asked lots of difficult questions, inspired by the pupils’ visit to Parliament last year. They asked me to convey to the House their sincere appreciation for the excellent tour, and I ask the Leader of the House to join me in thanking the staff of the House for their help on that. May we have a debate next week about the important role that this place plays in educating young people about our democracy?

Mr Lidington: I am delighted that the pupils from Great Addington’s school enjoyed their visit. Obviously, they put their lessons to good use in interrogating my hon. Friend. That will prepare him for his future ministerial career, I am certain. I know that you have given very high priority to enhancing the House’s educational work, Mr Speaker. I certainly share that objective and am seeking to do this in programming my future external engagement. I hope that we all in our individual constituencies will try to interest young men and women in our work, because capturing the imagination of boys and girls at a young age is the surest way in which we can rebuild confidence in and enthusiasm for our democratic processes.

Mr Speaker: The answer from the Leader of the House is of great interest to me and to colleagues, but it may also be of considerable interest to a number of young people who are observing our proceedings from not very far away, at whom the Leader of the House, to his credit, is now smiling beatifically.

Mrs Emma Lewell-Buck (South Shields) (Lab): Race hate crime in the north-east is up by 48% since Brexit, and the English Defence League is to march again in South Shields this weekend. My constituents and I have always challenged extremism, and such groups are not welcome in South Shields, yet the process to have such marches banned is complex and arduous. Will the Government make a statement on what they are doing to stem the rise of racially charged demonstrations, which have no place in Britain?

Mr Lidington: I face the challenge of EDL marches in my constituency. A balance has to be struck between the rights of freedom of expression and freedom to demonstrate, which we all cherish in the United Kingdom—and they cannot be only for the people with whom we agree—and the importance of demonstrating our rejection of extremist groups. My view is that the best way to respond to the EDL or similar groups is for the entire community to speak and to show in their actions that they utterly reject and are repelled by the venom and hatred that those groups seek to sow in our society. In particular, those of us in leadership positions should show solidarity with the minority groups who feel so threatened.

Mr David Nuttall (Bury North) (Con): There are housing association tenants in my Bury constituency who would like the opportunity to buy their property. May we please have a statement on the progress on extending the right to buy to housing association tenants?

Mr Lidington: In last year’s autumn statement, the Chancellor announced a large-scale regional pilot that will enable more than 3,000 housing association tenants to buy their own home. We are undertaking pilots to ensure that we get the policy right. We will test its key features and look at the evidence to decide how we can take forward the scheme.

Angela Smith (Penistone and Stocksbridge) (Lab): Yesterday, the Secretary of State for Exiting the European Union admitted that the Government have made no full assessment of the potential impact on the UK economy of our leaving the EU without a deal. May we have a debate in Government time on that specific issue so that the House can hold the Government to account on that very important matter?

Mr Lidington: There will be an opportunity in the debate on EU exit and international trade that I announced in the business statement. I should correct the hon. Lady, though: my right hon. Friend the Secretary of State said yesterday that the Government are looking across the piece at the impact of our leaving the EU on various sectors of the economy. He was asked about a new overall economic assessment, and said that his Department, and others in Whitehall, are in the process of carrying out a programme of rigorous and extensive analytical work on a sector-by-sector basis. That, surely, is the constructive way to approach the matter.

Pauline Latham (Mid Derbyshire) (Con): We all know that the Government are very keen on manifesto commitments and following through on them. I think all parties would welcome a debate on what the Government mean by “shortly”. Before Christmas, we had a debate on elephants and the ivory trade, and were told then that a decision would come out shortly. In February, we were told again that it was coming out shortly. May we have a statement on when we will know when we are going to follow through on the Conservative manifesto promise to ban the trade in ivory?

Mr Lidington: My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs plans to take the decision and announce her proposed way forward soon.

Mr Speaker: If we could try to speed up, that would be really good, because there is a statement to follow.

Chris Elmore (Ogmore) (Lab/Co-op): The Leader of the House will no doubt be aware that at the recent Beacon awards, which are known as the Oscars of the further education sector, Bridgend College, which sits in my constituency and that of my hon. Friend the Member for Bridgend (Mrs Moon), won an award. Will he find some time for a debate on the success of the FE sector, particularly its contribution to enabling people of any age to continue on their learning path?

Mr Lidington: The hon. Gentleman is right to remind us of the importance of that sector, and I join him in congratulating Bridgend College on its achievement.

Rehman Chishti (Gillingham and Rainham) (Con): Medway hospital in my constituency has been in special measures for nearly four years. The staff and the leadership in partnership with the Government have worked tirelessly to improve standards. Will the Leader of the House join me in paying tribute to the excellent staff who have won
awards for their work, including Excellence in Maternity Care? May we have an urgent statement on the performance of hospitals in special measures?

Mr Lidington: It is always tough when staff have to face up to criticisms of their record and to see that their institution placed in special measures. I am delighted to hear from my hon. Friend that staff at Medway hospital have responded so positively, and I hope that their efforts soon receive the public tributes that I know that he hopes for.

Clive Efford (Eltham) (Lab): Yet another GP surgery is closing in my constituency—the sixth in recent times. The patients are being dispersed to other surgeries, but the length of time that people have to wait for a GP appointment is growing. Can we have a statement from the Minister about the performance of NHS England in providing GP services, because the situation in my constituency is intolerable?

Mr Lidington: We want to see GP practices open for longer so that more people can benefit from the excellent services they offer. Some 17 million patients have already benefited from evening and weekend appointments. We have increased investment in general practice by nearly £2.5 billion, and there are 1,100 more GPs now compared with 2010. I will certainly draw to the Secretary of State’s attention the particular difficulty in the hon. Gentleman’s constituency.

Andrew Stephenson (Pendle) (Con): May we have a debate on the northern powerhouse schools strategy? Last month saw the launch of the Pendle challenge, with more than 80 organisations involved in the provision of education from nought to 18 years coming together to improve the aspirations and achievements of young people in Pendle. I am keen to see how we can better work together across the north on this issue.

Mr Lidington: As my hon. Friend says, it is really important that we look to raise not just the standards of achievement by children in schools, but their aspirations and their expectations about what is possible in their lives. The northern powerhouse schools strategy aims to do just that, which is why the Government are putting in £70 million over the course of this Parliament. I hope that we will see a further announcement on that before very long.

Jessica Morden (Newport East) (Lab): Given that, shamefully, there was no mention of help for the WASPI women in the Budget, can we have another opportunity to speak on behalf of the women affected, including my constituent who was denied, with little notice, the chance to retire when she had planned and has now found out that she is terminally ill, as her voice and others deserve to be heard?

Mr Lidington: I point the hon. Lady towards questions to the Secretary of State for Work and Pensions on Monday 27 March. There has been about £1 billion of investment in transitional arrangements to help those women who are worst affected by the equalisation of pension age. None the less, the equalisation of pension age did have cross-party support in this House when it was brought in.

Hywel Williams (Arfon) (PC): Millions of people have installed cavity wall insulation successfully, but many have experienced failures, leading to fungal infection and structural difficulties in their homes. Those people are often elderly and disabled, and they thought that they were participating in a Government scheme. The industry’s response has been defensive and evasive most of the time, and the Government seem to be hoping to keep out of what could be a very expensive mess. Can we have an early debate on the CWI scandal?

Mr Lidington: Without checking, I do not know to what extent this is a legislative and regulatory problem and to what extent it is a matter of consumer law to be resolved in the normal way. If the hon. Gentleman wants to write to me with details about his experience, I will happily consider the case.

Judith Cummins (Bradford South) (Lab): I am sure that I am not the only Member of this House to be disappointed that the Chancellor made no mention of extra police funding in his Budget statement last week. Cuts to frontline policing in Bradford South have been profound, with 75 fewer officers engaged in neighbourhood policing today than in 2012. Will the Leader of the House allocate time for a debate on this important issue?

Mr Lidington: The spending total for the police, as for every other Government service, was announced at the time of the spending review. Crimes traditionally measured by the independent Crime Survey for England and Wales have actually fallen by a third since 2010; they are now at a record low. That shows that the police have been extremely professional in managing their budgets to ensure that the public are protected and that crime comes down.

Chris Stephens (Glasgow South West) (SNP): May we have a debate or a statement on funding third sector organisations to assist the long-term unemployed into work? I refer the Leader of the House to early-day motion 1003, which seeks to celebrate the 20th anniversary of the GalGael Trust, an organisation in my constituency that maintains the skills and traditions of woodwork and metalwork.

[That this House recognises the 20th Anniversary of the founding of an inspiring and life-changing community project based in Govan, the GalGael Trust, founded by the late Colin McLeod whose vision for the project is still upheld today; notes that this groundbreaking boat-building and woodcraft workshop upholds the proud Glaswegian traditions of hard work, community spirit and skilled craftwork whilst changing lives by restoring pride through achievement and developing skills; further notes that GalGael shows that supporting the long-term unemployed with respect and a creative vision can be more effective and engaging than traditional methods; notes that re-using Scottish timber from landfill respects the environment and the roots of the project lie in that vision of positive action coming from protest; and supports the view that the sustainability of this project is due to the inspiring people who have been at the heart of the community in Govan, working to maintain the skills and traditions of crafts in woodwork and metalwork, and building a future whilst honouring the past.]
Does the Leader of the House agree that the sustainability and finance of such organisations can help the long-term unemployed?

Mr Lidington: I do not know any more about the Gaeltacht than what the hon. Gentleman just told the House. I am happy to salute the work that it does and the work of many other such organisations in all parts of the United Kingdom in trying to provide mentoring and support, which is often so valuable to people who have been unemployed for a very long time in helping them have the confidence and basic skills to get back into the marketplace.

Steve McCabe (Birmingham, Selly Oak) (Lab): Yesterday, there were three separate illegal Traveller encampments across my constituency. This problem plagued my constituents for most of last year and is taking up where it left off. I recognise that Travellers have rights—as do my constituents, especially to enjoy the public parks that they pay for. This issue does not just affect my constituency; it is a problem right across the country, and there is real confusion about the law and enforcement. May we have a debate in Government time where Ministers set out clearly the Government’s expectations about how the problem of illegal encampments should be tackled?

Mr Lidington: This might be good material for a Backbench Business debate, as it does indeed affect a large number of constituencies. Sanctions and processes are available to both local authorities and the police to deal with the problem of illegal encampments. I completely agree with the hon. Gentleman. I think what rules residents more than anything else is the sense that they are expected to stick by the rules and obey the law when it comes to any kind of planning matter, yet they see people getting away with it apparently scot-free, which they quite rightly get angry about.

Kate Green (Stretford and Urmston) (Lab): A constituent recently came to see me about his zero-hours employment with the leading automotive retailer Evans Halshaw, where he has worked for six years with no sick pay and no job security. May we have a debate on how we can strengthen the legislation in relation to this kind of insecure employment?

Mr Lidington: Of course, it was a Conservative-led Government that outlawed exclusivity clauses in zero-hours contracts. Although we keep a close watch on this—I am sure it is one of things that Matthew Taylor’s review will want to look at—it remains the case that fewer than 3% of the workforce see a zero-hours contract as their main job, and roughly 70% of those people say that they are happy with the number of hours that they work.

Stewart Malcolm McDonald (Glasgow South) (SNP): The Leader of the House is of course no philistine, so he will know that this year is the bicentenary of the birth of the eminent Scottish architect Alexander “Greek” Thomson. Will he join me in congratulating the Alexander Thomson Society on putting together a whole year of events to remember the architect’s work, and may we have a debate on his contribution to Scottish-built heritage?

Mr Speaker: This is the question that the hon. Gentleman would have asked if he had been present for his question at Department for Culture, Media and Sport questions. He was not, so he did not, and he is therefore doing it now. I just thought I would make that by way of a public information statement.

Mr Lidington: I am happy to pay tribute to the work of the Alexander Thomson Society. Perhaps the hon. Gentleman will pen a brief note to all Members so that we know where we can go to see more of Thomson’s work when we come to Scotland.

Justin Madders (Ellesmere Port and Neston) (Lab): In recent weeks, there have been a number of reports of foxes being hunted by hounds in Cheshire. Graphic and disturbing images have been plastered all over the internet. This barbaric practice is illegal, and I thought this Government were keen to implement the will of the people. May we please have a debate on what more can be done to uphold the law?

Mr Lidington: The enforcement of the law is, rightly, a matter not for Ministers but for independent police and prosecuting authorities.

Ian Murray (Edinburgh South) (Lab): The Prime Minister said in this House on Tuesday that at the recent European Council meeting she encouraged the EU to “complete the single market and the digital single market.”—[Official Report, 14 March 2017, Vol. 623, c. 180.]

May we have a statement or a debate in this House on why it is in the UK’s national interest for the EU to complete those markets but it is not in the UK’s national interest to be part of them?

Mr Lidington: It is in the UK’s national interest that the European Union, with which we are negotiating a new partnership, has a system of economic co-operation that is as friendly to open markets and free trade as possible, because that will enhance the opportunities for our companies and citizens when it comes to that new relationship. I would have thought that was an objective that the hon. Gentleman would support.

Nick Smith (Blaenau Gwent) (Lab): May we have a statement on car manufacturers who cheat on emissions tests? Volkswagen, and now it seems Renault, have serious questions to answer. If there is fraudulent behaviour, senior executives need to be held to account.

Mr Lidington: I have seen the reports of alleged malpractice by Renault. I would hope that any such allegations were properly investigated, and that those responsible for any wrongdoing were held properly to account.

Christian Matheson (City of Chester) (Lab): Chester continues to be blighted by student housing developments built by speculative developers. Those developments are favoured because the distortion in the council tax rules mean that they get higher investment, and they take up
land that should be used for family accommodation. May I add my voice to that of the hon. Member for Harrow East (Bob Blackman) in calling for a debate on planning law, so that we can tackle these issues?

Mr Lidington: With the best will in the world, I suspect that we will never get a system of planning law that satisfies everybody in every sector of the economy, but I encourage the hon. Gentleman, as I encouraged my hon. Friend the Member for Harrow East (Bob Blackman), to seek an Adjournment debate or Back-Bench business debate on this matter.

Steven Paterson (Stirling) (SNP): Today is the 708th anniversary of Robert the Bruce calling his first Parliament in St Andrews. Of course, he spent a bit of time in my constituency, too. Can we have a debate on Scotland’s distinct parliamentary tradition, given that it is a story that is still being written?

Mr Lidington: That might be a suitable subject for a Scottish National party Supply day debate. Convinced Unionist though I am, I am happy to salute Scotland’s parliamentary and constitutional tradition. I see the declaration of Arbroath and the Scottish parliamentary tradition as being among those constitutional and ultimately democratic traditions in our national life that have helped to enrich the United Kingdom as a whole.

Paula Sherriff (Dewsbury) (Lab): You may be aware, Mr Speaker, that I have campaigned on periods and have, within that, looked at period poverty. I recently spoke to BBC Radio Leeds, which highlighted that in that city, a significant number of girls are playing truant because they do not have any sanitary protection around the time of their period. One can only imagine the indignity that that causes. May we have a debate in Government time on whether there is anything that we can do to provide sanitary protection for low-income families, who feel they are facing a terrible injustice?

Mr Lidington: I am happy to refer the matter to the Department for Work and Pensions so that it can look at the problem, if the hon. Gentleman would like to let me have a few details, but the principle of a cap is right. Funds are available to councils for discretionary use in cases of hardship, as he knows. If he thinks that there is a particular case for reform to the regulations, he can write to me and I will pass that to the Secretary of State for Work and Pensions.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): May we have a statement on the lack of Changing Places toilets across the UK? It cannot be right that parents of disabled children are having to change their children on unhygienic toilet floors in this day and age. Surely this must be put on a statutory footing. Something must be done to bring us into the century that we should be in.

Mr Lidington: That is an interesting point. I absolutely understand the difficult position for parents who find themselves in such a situation. The hon. Lady might want to raise the matter in an Adjournment debate. I also suggest that she writes directly to the Minister for Disabled People, Health and Work; I am sure that she will get a very reasonable hearing.

Mrs Madeleine Moon (Bridgend) (Lab): I had a Westminster Hall debate yesterday, which a number of families travelled from across the UK to attend. The debate was also attended by six MPs from majority parties throughout the House. We were debating police widows’ pensions, as the widows lose their pensions should they remarry or cohabit. It is basically a tax on love. Unfortunately, the Minister for Policing and the Fire Service gave only a seven-minute response—including taking an intervention—in the 15 minutes that he had in which to speak. Can we now have a debate here in the main Chamber so that a further and fuller answer is provided to those families, who feel they are facing a terrible injustice?

Mr Lidington: I am sure that the hon. Lady would acknowledge that the Minister, since he speaks last in such debates, only has such time as is available from the 90 minutes or 60 minutes that has been allotted for that particular debate. I am sure that she will be able to air her concerns further if she seeks the opportunity to raise this matter at Home Office questions, via the Backbench Business Committee or in an Adjournment debate.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to get back to my usual place in business questions—at the end.

I am not sure whether the Leader of the House is aware of the Daughters of the Vote event that was held at the Canadian Parliament on International Women’s Day. Young women from each of Canada’s 338 constituencies or ridings sat in Parliament to gain experience and communicate their vision for Canada, hopefully inspiring them to participate in the political process for years to come. Can we have a debate in this place on how we can encourage more women into politics?

Mr Lidington: I am happy to refer the matter to the Department for Work and Pensions so that it can look at the problem, if the hon. Gentleman would like to let me have a few details, but the principle of a cap is right. Funds are available to councils for discretionary use in

Mr Speaker: Before the Leader of the House replies, I say to the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) that he can always tell himself and the people of his constituency that we keep the best till last.
Mr Lidington: The way in which some of today’s exchanges have highlighted the need to engage better with young people as an institution, and the way in which we have addressed, through these exchanges, the need to encourage greater opportunities for women, help to contribute to the hon. Gentleman’s objective. I hope that he would agree that it is not just about women. We also want to encourage young men, particularly those from working-class backgrounds, who often feel disaffected and alienated from mainstream democratic processes, and people from black and minority ethnic communities to be involved more. We can all do this through leadership in our constituencies and by using the services of the parliamentary education service, which really does provide first-class education materials and will happily host visits from schools and colleges here.

Sky/21st Century Fox: Merger

11.33 am

The Secretary of State for Culture, Media and Sport (Karen Bradley): I came to the House on 6 March to give an update on the proposed merger between 21st Century Fox and Sky. At that time, I said that I was minded to issue a European intervention notice on the basis that I believed there to be public interest considerations, as set out in the Enterprise Act 2002, that may be relevant to this proposed merger and warrant further investigation.

The grounds on which I was minded to intervene were, as I explained at that time, media plurality and commitment to broadcasting standards, but I also confirmed that, in line with statutory guidance, I would be inviting further representations in writing from the parties. I gave them until last Wednesday to provide those representations.

Having carefully considered the representations from the parties and the other representations that I have received, I can now tell the House that I have today issued a European intervention notice on the grounds of media plurality and commitment to broadcasting standards. I have written to the parties, Ofcom, and the Competition and Markets Authority to inform them of my decision.

While the representations from 21st Century Fox highlighted areas in which it contested the position taken in my “minded to” letter, none of the representations have led me to dismiss the concerns I have regarding the two public interest grounds I previously specified. I am of the view that it remains both important, given the issues raised, and wholly appropriate for me to seek comprehensive advice from Ofcom on those public interest considerations, and from the CMA on jurisdiction issues. I note that, overall, the parties have welcomed a thorough regulatory review, and that is what will now happen as a result of the intervention notice I have issued.

Since my “minded to” decision, I have also received just over 700 representations from third parties, the vast majority of which supported intervention. A number of those representations called for me to create a new public interest consideration, which would require a fit and proper assessment of the parties to the merger to take place as part of the intervention process. They also argued that it should be made clearer that matters of corporate governance, accountability and conduct could be taken into account in assessing this merger. These issues relate to questions about the application of the fit and proper test by Ofcom, and I will come to those issues shortly.

As I have previously set out, the decision will now trigger action by Ofcom to assess and report to me on the public interest grounds I have specified, and by the CMA to report to me on jurisdiction. They each have 40 working days to prepare and provide these reports. This means that I will expect their reports by Tuesday 16 May. I will then resume my decision-making role in relation to the merger.

To be clear, this intervening period, and indeed any time after that until a final decision on the merger is taken, is subject to the constraints that apply to my quasi-judicial role. Mr Speaker, I am sure you understand
that I cannot—nor can any other member of the Government—comment substantively on the case as it proceeds. I will, however, as I have done so far, keep the House updated once I have considered the reports of Ofcom and the CMA.

What I will comment on is that much of the discussion in last week’s proceedings here and in the other place focused on Ofcom’s assessment of whether a licensee is fit and proper, including the ongoing duty that falls to Ofcom under the 1990 and 1996 Broadcasting Acts. I have received representations from the hon. Member for West Bromwich East (Mr Watson) and the right hon. Member for Doncaster North (Edward Miliband), as well as from a number of other parties, on adding fit and proper as a new public interest consideration in the Enterprise Act 2002. I want to assure them that I have very carefully considered the arguments they have put forward.

The grounds set out in the Enterprise Act that allow for intervention in media mergers are aimed at ensuring plurality of the media, which is essential to a healthy democracy—something I know that Members of this House and the other place support. It is a view I fully and unequivocally endorse. However, I am also clear that the question of whether someone is fit and proper to hold a broadcasting licence is a different requirement, and one that, quite rightly, sits with Ofcom, the independent regulator.

On Monday, Ofcom announced that it would conduct its fit and proper assessment at the same time it considers any public interest test in response to my decision to intervene in the merger. This means that Ofcom will conduct its assessment within the 40 working days it has to report to me on the public interests I have specified in the intervention notice. I welcome Ofcom’s announcement, which will provide not only clarity for the parties, but reassurance to those who have expressed their own concerns, that this is a matter that Ofcom will now consider before the merger takes place.

I trust, as before, that this update is helpful to right hon. and hon. Members, and that it gives us an opportunity to debate this important issue, while at the same time respecting the limits of what I can say, as I referred to earlier, given my ongoing quasi-judicial role in relation to this merger. I commend the statement to the House.

11.38 am

Mr Tom Watson (West Bromwich East) (Lab): I thank the Secretary of State for advance notice of her statement. She says that she will go ahead with what she indicated she was going to do last week. That might not sound like a big deal, but it is more than the Chancellor and the Prime Minister managed yesterday.

Labour Members welcome the fact that the Secretary of State is intervening. She will have noticed that 21st Century Fox is happy, too. In a letter to her last week, it said:

“We welcome a thorough and thoughtful review”.

I have no doubt that that welcome is sincere, and that 21st Century Fox is thrilled by her decision. On that basis, I hope that it will seek not to challenge or impede any element of Ofcom’s investigation. If it does, I trust that she will make a new referral to put it beyond doubt that Ofcom can investigate what it needs to investigate.

Can the Secretary of State confirm that the “broadcasting standards” ground of her referral gives Ofcom the power to investigate any corporate governance issues affecting 21st Century Fox, including the phone hacking scandal, any cover-up of illegality at News International, the rehiring of people responsible for governance failures, and ongoing sexual harassment claims in the United States? Is it her view that Ofcom should examine those issues?

The Secretary of State referred to representations made by me, my right hon. Friend the Member for Doncaster North (Edward Miliband) and others about adding “fit and proper” as a new public interest consideration, but she has regrettably chosen to reject them. I welcome Ofcom’s announcement that it will conduct a fit and proper assessment at the same time as considering the public interest test she has specified today, but I have two concerns about this. First, Ofcom has only 40 days to conduct the fit and proper assessment. Is the Secretary of State confident that it can get to the bottom of all these issues in such a short time? Secondly, the 2012 Ofcom report on James Murdoch, which found that his conduct “repeatedly fell short of the conduct to be expected of him as a chief executive officer and chairman”, contained this important caveat:

“The evidence available to date does not provide a reasonable basis to find that”

he “knew of widespread wrongdoing or criminality at”

News of the World. The reason for that lack of evidence was that Ofcom did not have the power to gather the evidence it needed.

Just a few years ago, News Corporation, 21st Century Fox’s predecessor company, was involved in one of the biggest corporate scandals and one of the biggest corporate governance failures of modern times. Many of the questions about the failure of corporate governance failure within 21st Century Fox’s predecessor company, and much of the evidence of the role of James Murdoch within those failures, can be answered only by going ahead with part 2 of the Leveson inquiry. Ofcom does not have the power to obtain documents and compel witnesses to appear before it. Is not the easiest way of getting to the bottom of the corporate governance questions that we all want answered to hold an inquiry in public, using powers under the Inquiries Act 2005, with terms of reference that have already been announced by a Conservative Prime Minister as a promise to the victims of phone hacking—namely Leveson part 2?

Karen Bradley: I thank the hon. Gentleman for his comments. I will address his final point first—the issue of Leveson—as I did last time I was at the Dispatch Box on this matter. As he will know, the consultation we launched, which closed in January, is subject to judicial review. I am therefore unable to comment on the consultation, or any aspects of it, with regard to the Leveson inquiry. I hope he will understand that I cannot make further comment about that.

I am pleased that the hon. Gentleman welcomes the decision to refer this merger, but it is important that I make a couple of points in relation to his questions. He asked whether the “broadcasting standards” element could include looking at corporate governance. I was
clear in my original “minded to” letter and in the statement I made to the House on 6 March that corporate governance was one of the issues on which I was referring the matter to Ofcom, and therefore I would expect it to look at that. Clearly, however, Ofcom is an independent regulator. I have made the decision to refer to Ofcom, but it is for Ofcom to decide what evidence it wants to look at. It is open to look at whatever evidence it feels is appropriate to enable it to make its decision.

The hon. Gentleman talked about the fit and proper test. I very carefully considered the representations that were made, but it is important that it is the independent regulator that looks at fit and proper and the Government who have grounds on which to intervene under the Enterprise Act. Those two things have to be kept separate. The Government should not step into the area where, quite rightly, the regulator should sit.

The hon. Gentleman asked whether Ofcom has the time, resources and ability to gather the evidence that it needs. I have been assured by Ofcom that it has the time to do this and the ability to gather the evidence it needs, and I now look forward to letting it get on with the job.

Mr John Whittingdale (Maldon) (Con): Although it is clearly sensible to ask the regulator to examine this bid, does my right hon. Friend recognise that this transaction represents a £11.7 billion investment by an international company in a British broadcaster and is, as such, a fantastic vote of confidence in the UK’s remaining an international centre of broadcasting long after we leave the European Union?

Karen Bradley: As the House knows, my right hon. Friend has significant experience in matters of culture, media and sport. He is right to say that the UK is global Britain, open for business to the whole world, and that it will remain so after we have left the European Union.

John Nicolson (East Dunbartonshire) (SNP): I thank the Secretary of State for advance sight of her statement. I am pleased that she will intervene in the proposed merger of Sky and Fox, and that she will ask Ofcom to investigate the deal. Scottish National party Members have consistently voiced our support for media plurality and our commitment to broadcasting standards. There are valid concerns about the merger, which will increase the influence of Rupert Murdoch and his family in the UK’s media. There are concerns regarding a number of breaches of broadcasting standards by Fox, as well as News Corporation’s past behaviour and corporate governance failures.

Many people highlight the fact that part 2 of the Leveson inquiry has yet to be commenced, and they question whether such a significant deal can go ahead before that happens. This is not the first time that there has been an attempt to take over Sky, and we should be mindful of why the previous bid courted such controversy and failed.

At the same time, it should be acknowledged that television is adapting to changes in viewing habits and competition throughout the world. Some will argue that investment in Sky might allow the UK to thrive in the international arena and continue to compete with competitors such as Netflix and Amazon Prime. We welcome the fact that Ofcom will report on the public interest grounds of media plurality and commitment to broadcasting standards, as well as conducting a fit and proper assessment. I trust and believe that that will provide the Secretary of State with the necessary recommendations on how to proceed, and I look forward to Ofcom’s conclusions.

Karen Bradley: I refer to my earlier comments regarding the Leveson inquiry— I hope that the hon. Gentleman will understand. I thank him for his welcome for the decision. I look forward, as he does, to seeing the reports from Ofcom and the Competition and Markets Authority, which will enable me to use my quasi-judicial role to make a fair and transparent decision.

Mr Nigel Evans (Ribble Valley) (Con): It appears that even the mention of the name Murdoch gets some people twitching and frothing at the mouth. Does the Secretary of State recognise the fact that while James Murdoch was chief executive and later chairman of Sky, the company grew to employ 24,000 people in this country, with investments of £700 million a year in original production and programming? Does she believe, as I do, that Sky is an important part of the creativity of this country, and that the proposal of this merger shows the confidence of the rest of the world in Britain’s productivity and future?

Karen Bradley: I thank my hon. Friend for his comments. I agree that media plurality is important, which is why I have asked Ofcom to look at the proposed merger and to make a decision, on the grounds set out in the Enterprise Act 2002, about whether it will affect media plurality. Like him, I am optimistic that, following Brexit, the UK broadcasting industry will continue to thrive and to be the world-leading industry that it is today.

Edward Miliband (Doncaster North) (Lab): I welcome the Secretary of State’s decision to refer this bid. Many of us believe that in view of the conduct of the Murdochs and the untrammeled power that they already have, it is not in the public interest for them to take over Sky and have full control.

I want to ask about the question of fitness, which I know the Secretary of State has thought about a lot. The 2011 Ofcom review took 15 months to look at the fitness of the Murdochs, but she expects Ofcom to report back to her within 40 days. There is a question about timescale and powers, as my hon. Friend the Member for West Bromwich East (Mr Watson) has said. Can she assure us that if during this period Ofcom seeks more time, or indeed more powers, to carry out the fitness review, she will grant its request?

Karen Bradley: Ofcom has assured me that it has the time and the powers that it needs, and I look forward to seeing its report in due course.

Sir Edward Leigh (Gainsborough) (Con): Does my right hon. Friend agree that the freedom of the press, and indeed of press ownership, is a bastion of our liberties? It is for Ofcom—objectively, not subjectively—to define, as a narrow term of art, a fit and proper person; it is not for Ministers and politicians to get involved in this.
Karen Bradley: My hon. Friend’s point is exactly what I concluded, having considered the representations. There needs to be a distinction between the work of the independent regulator in determining who is a fit and proper person to hold a broadcasting licence versus the role of the Secretary of State when it comes to determining whether a media merger can go ahead under the terms of the Enterprise Act.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Having encouraged the Secretary of State to take this course of action, may I now welcome the fact that she has done so? She deserves credit for doing the right thing, and I have no doubt that she will have the support of the House as this matter goes forward. Many years ago, I served on the Standing Committee that considered the Enterprise Bill, and I recall that the provisions on this process were supported by all parties at that time. It strikes me, however, that in the light of this experience, it might be appropriate at its conclusion to revisit whether we do in fact have the processes we really need to ensure that we get the ends that we want to achieve.

Karen Bradley: I thank the right hon. Gentleman for welcoming this. If he wants to make representations to me regarding the Enterprise Act and areas in which he feels changes could be made in the light of changing broadcasting and consuming habits, I will of course look at them carefully.

Nigel Huddleston (Mid Worcestershire) (Con): I agree with the Secretary of State’s view that the decision on whether somebody is a fit and proper person should quite correctly be for an independent regulator, not a politician. Does she believe that that is consistent with our goals of not politicising our broadcasting landscape?

Karen Bradley: I agree with my hon. Friend. That was exactly the conclusion I reached when looking at the representations that I received.

Mr David Winnick (Walsall North) (Lab): I recognise and respect what the Secretary of State has told the House, and we all appreciate her keeping the House up to date. I again say that this is not a question of any kind of vendetta against Mr Murdoch, but it would be simply unacceptable for the amount of media ownership he already controls to be increased. That is the position, and it is why I hope that the right decision will be taken at the end of the day.

Karen Bradley: Ofcom will look at these matters and I look forward to seeing its report.

Jeremy Lefroy (Stafford) (Con): I welcome my right hon. Friend’s statement, but will she assure me that the question of plurality is not just examined occasionally—when a big merger such as this comes up—but kept constantly under review by Ofcom and, indeed, her Department?

Karen Bradley: Ofcom has a responsibility to consider on a regular basis the fit and proper person test for holding a broadcasting licence. Clearly, however, when looking at the whole media landscape—there were questions about the status of Channel 4 during oral questions—the issue of media plurality is at the forefront of my mind. That is the case when looking at the right decision to take regarding the future of Channel 4 and all media matters.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I am grateful to the Secretary of State for her statement. I have received a huge number of emails on this issue from many constituents, and I welcome the intervention that she detailed in her statement. A free, open and diverse press is of course important to democracy, and I want to put on record that my constituents have asked that she understands the depth and strength of feeling on this issue. I look forward to hearing from her further in due course.

Karen Bradley: The hon. Lady will probably not be surprised to hear that I have, I suspect, received more emails than even she has on this matter. I have taken note of them.

Bob Blackman (Harrow East) (Con): I think my right hon. Friend’s decision will be warmly welcomed by all parties to the proposed merger, as well as across the country. However, one of the considerations is the short time in which Ofcom must carry out the review. Will she therefore ask Ofcom for an interim report part of the way through this period? If there is any obstruction or a need to extend the time, she would then be able to look at the situation sympathetically to ensure that Ofcom can do the proper job we all want it to do.

Karen Bradley: My hon. Friend makes an interesting suggestion, but Ofcom has reassured me that it has the time and resources required to produce a report in 40 working days. It is important to remember that we want to make sure that there is sufficient time and scrutiny, and that we provide certainty within a reasonable timeframe, so that all parties can get on with business as usual, whatever that might be.

Chris Bryant (Rhondda) (Lab): I warmly congratulate the Secretary of State on her decision. She should bear in mind, however, that historically successive Governments—and Prime Ministers, in particular since Mrs Thatcher—have decided that Rupert and now James Murdoch are fit and proper persons because they own newspapers that support them in general elections. The concentration of ownership is the problem. Sky now has nearly four times as much money to spend every year as the BBC. I hope that we end up in a position in which we maintain diversity in the British ecology, with a strong BBC not being bullied by Murdoch and Sky.

Karen Bradley: I am getting slightly worried, because this is the second time this morning the hon. Gentleman has worked consensually with the Government, but I take note of his comments.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I welcome today’s statement, as will many of my constituents who have been in contact with me regarding this matter. I am sure that they will all be happy that the bid is being referred to the regulators. Given that Britain has one of the most concentrated media environments in the world, with three companies controlling 71% of national newspaper circulation and five companies in
command of 81% of local newspapers titles, does the Secretary of State agree that now is the ideal time to review properly the media landscape in Britain?

Karen Bradley: I am very proud of the incredibly diverse free press that we have in this country, and I want to preserve it and ensure that we can enable it to thrive. There was a question in oral questions about local newspapers, and I certainly want local newspapers, and others, to thrive. Through this process, it is important that we ensure that we have a plurality of media and broadcasting. That is why I have asked Ofcom to look at this particular issue.

Clive Efford (Eltham) (Lab): I welcome the Secretary of State’s decision. I would merely point out that someone has to be a fit and proper person to be a licensed London hackney carriage driver. With that in mind, this is not just a question of the amount of influence that the Murdochs already have: it is their association with so much corruption and illegality, which is still being uncovered even now. I am incredulous that they are being considered for a 100% controlling share of Sky. That must not be allowed to happen.

Karen Bradley: I am sure that Ofcom will have heard the hon. Gentleman’s comments. I hope that his comments about fit and proper persons for taxi driving is not a reflection on any experiences he may have had in the past.

Helen Goodman (Bishop Auckland) (Lab): I congratulate the Secretary of State on how she is handling this matter which, if I may say so, is better than any Secretary of State since 2010. She says that she cannot respond to any substantive questions on Leveson 2 because it is under judicial review. When will the judicial review be resolved so that we might come back to Leveson 2?

Karen Bradley: The judicial review is a matter for the courts. I am in their hands.

Points of Order

11.58 am

Mr Christopher Chope (Christchurch) (Con): On a point of order, Mr Speaker.

Mr Speaker: Yes, I will take a point of order now. There are a couple of Select Committee statements coming, but we can await those with eager anticipation and bated breath. I am sure colleagues do so, but let us first hear the point of order from Mr Christopher Chope.

Mr Chope: In a section headed “Making Commitments on the Floor of the House”, paragraph 23.42 of the Cabinet Office guide to making legislation, published in July 2015, states:

“Parliament will hold Ministers to any commitments they make on the floor of the House which are recorded in Hansard. Ministers must, therefore, take care during debates not to make any commitments for which they do not have collective agreement”.

My point of order, Mr Speaker, is how can Parliament hold Ministers to those commitments that have been made on the Floor of the House?

Briefly, the background is this. In recent days, my right hon. Friend the Secretary of State for Communities and Local Government and the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones), have told me, the leader of Christchurch borough council and the mayor of Christchurch that they do not regard themselves as bound by the commitment made by the Government to the House on 7 December 2015. On that day, I asked the then Secretary of State:

“Will my right hon. Friend give the House an assurance that amendment 56 will not be used by the Government to force change on any local authority?”

The Secretary of State replied:

“I will indeed.”—[Official Report, 7 December 2015; Vol. 603, c. 822.]

That is pretty clear, and my hon. Friend the Member for Gainsborough (Sir Edward Leigh) received a similar commitment. How can we hold the Government to account for the commitments that have been made?

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

Mr Speaker: As his point of order is on the same matter, and it is a case of Tweedledum and Tweedledee, I think that I will hear from the hon. Gentleman.

Sir Edward Leigh: I am a bit insulted to find that I am Tweedledee in your estimation, Mr Speaker.

This is a very serious topic. I have here a copy of the 7 December edition of Hansard. I, too, intervened on the then Secretary of State in column 822. Having raised issues concerning Lincolnshire and the desire of the county council and the Government to have a mayor and a unitary authority, I received a specific commitment from the Secretary of State that he would not use amendment 56 to force a unitary authority on Lincolnshire. I received that commitment in terms. All that the Secretary of State said to me was that he would force discussions—that is, he would not prevent discussions
from taking place—but the commitment was absolutely clear. I hope that you, Mr Speaker, will protect the right of the House of Commons to hold Ministers to account.

Mr Speaker: I am very grateful to the hon. Members for Christchurch (Mr Chope) and for Gainsborough (Sir Edward Leigh) for raising this important matter.

The Chair has no responsibility for the contents of a document or manual issued by the Cabinet Office. That is its interpretation of the responsibility and advised course of action of Ministers. However, the short answer to the hon. Member for Christchurch, who asked me how Ministers are to be held to commitments that they have made: is by interrogation, by scrutiny, and, potentially, if Members judge it fit and appropriate, by criticism, and hence by potential parliamentary or public obloquy in the event of the breach of a commitment made. That is the answer. There is no binding obligation on any Member to do exactly what he or she has said that he or she will do in addressing the House, just as there is no obligation on any Back Bencher.

That said, making a commitment from the Dispatch Box in response to a question or an intervention is a very serious and solemn matter. It is not something that should be treated lightly or cast aside. Nor is it in any sense acceptable for it to be argued—if it were argued—that there has since been a change in the ministerial team; government is, of course, seamless, and responsibility is collective. That is the situation.

I cannot possibly become involved in exchanges or debate about the future make-up of local government in Dorset. I have enough to contend with in trying to make arguments in relation to the structure of local government in my own county of Buckinghamshire in conversations with Ministers. What I will say, however, and it will doubtless be heard by Ministers, is that I know the hon. Member for Christchurch extremely well. I have known him since 1986, and I have known the hon. Member for Gainsborough since 1997. They are both extremely diligent and serious-minded Members of Parliament. If a Minister thinks that a commitment made can subsequently and lightly be abrogated without parliamentary consequence from Members of their calibre, it is not something that should be treated lightly or cast aside. Nor is it in any sense acceptable for it to be argued—if it were argued—that there has since been a change in the ministerial team; government is, of course, seamless, and responsibility is collective. That is the situation.

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I cannot possibly become involved in exchanges or debate about the future make-up of local government in Dorset. I have enough to contend with in trying to make arguments in relation to the structure of local government in my own county of Buckinghamshire in conversations with Ministers. What I will say, however, and it will doubtless be heard by Ministers, is that I know the hon. Member for Christchurch extremely well. I have known him since 1986, and I have known the hon. Member for Gainsborough since 1997. They are both extremely diligent and serious-minded Members of Parliament. If a Minister thinks that a commitment made can subsequently and lightly be abrogated without parliamentary consequence from Members of their calibre, it is not something that should be treated lightly or cast aside. Nor is it in any sense acceptable for it to be argued—if it were argued—that there has since been a change in the ministerial team; government is, of course, seamless, and responsibility is collective. That is the situation.
Mr Speaker: I am grateful to the hon. Lady for her point of order, of which she gave me advance notice.

It is very difficult for the Chair to assist the hon. Lady. First, I would say that Governments of both hues in this country have not always been overly preoccupied with meeting their own deadlines. It has not always been regarded as an overriding priority by them, although it is often the case that people who have depended upon their words would prefer a greater fidelity to the commitment that has been made.

Secondly, as the hon. Lady will know, there is often something of a debate about what falls within the seasons of the year. It is not uncommon for Ministers in a Government to refer to an intention to do something “in the spring”, for instance, and for them sometimes to have a slightly different interpretation of the period covered by a season of the year from that which hon. Members or members of the public might have.

Thirdly, I have been advised by the Clerk, who has helpfully volunteered some text to me, that it is not unprecedented for Government Departments to be unspecific about when they are going to do something. However, I am sure that the hon. Lady will use her ingenuity to pursue the matter further. My advice to her is almost, if you will, geographical advice. It is that she should wend her way to the Table Office to see what sort of questions she can table that might provide satisfaction. I do not wish to be unkind to her, as she is an extremely diligent Member, but my broad advice to her—not merely as Speaker but as someone who was for 12 years a parliamentarian mainly sitting on the Back Benches—is that she should make as much of a nuisance of herself as she possibly can. That might avail her. She needs to persist to such a degree that Ministers feel that it is better to provide satisfaction to her.

Alex Salmond (Gordon) (SNP): On a point of order, Mr Speaker. I have been informed by sources in the media that the Prime Minister is going to make a significant statement on the Scottish constitution this afternoon. Have you had any notification of a prime ministerial statement? Most of us were here at Prime Minister’s questions yesterday, when she was asked many questions about the Scottish constitution and gave incredibly inadequate answers. It would be surprising, would it not, if there had subsequently been a development in her thinking and that she would want to put out a statement without the effective parliamentary scrutiny that such an important announcement—as it is being advertised—would demand. The Leader of the House is in his place. I know that he cannot be held responsible for every sin of this Government—that would be too much for any human being—but perhaps he can tell us if it is indeed the case that the Prime Minister intends to make such a statement and, if so, why she is not coming to the Dispatch Box for effective questioning by Members of Parliament.

Mr Speaker: It has to be said that, not for the first time, I have learned of something from the right hon. Gentleman. I was not aware—because nobody had told me—of any possible public statement of the kind that he envisages. Secondly, it is not always completely to be assumed that what is bruited in the media is correct. There may be no plan for any such statement today. It could even conceivably be a quiet news day, leading some people in the media to speculate that there will be such a statement, or that they would like such a statement to be made, or that there ought to be one. I am not aware that there is intended to be any such statement. The Prime Minister has, over many years, including during her tenure as Home Secretary, been fastidious in coming to the House to make statements on important policy developments. I am not aware of any plan for her to do so today, but if she were minded to make a public statement of the kind that the right hon. Gentleman envisages, and wanted to come to the House to do so, it would be open to her to do that. Whatever other plans I might have for the day, I would happily reschedule them in order to be in my place to hear the Prime Minister. Perhaps we can leave that there for now.
Chilcot Inquiry

PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS COMMITTEE

Mr Speaker: We now come to the first Select Committee statement. I cannot resist observing that this is the latest of the statements to the House from the hon. Member for Harwich and North Essex (Mr Jenkin), and that, as a Select Committee Chair, no one has taken more seriously his responsibilities in these matters or more enthusiastically availed himself of the opportunity to make such statements to the House. Perhaps other Select Committee Chairs will copy the hon. Gentleman in due course; it remains to be seen. The hon. Gentleman will speak on his subject for up to 10 minutes, during which no interventions may be taken. At the conclusion of his statement, I—or whoever is in the Chair—will call Members to put questions on the subject of the statement and ask the hon. Gentleman to respond to them in turn. Members can expect to be called only once. Interventions should be questions and should be brief. The Front Bench may take part in questioning. I call the Chair of the Public Administration and Constitutional Affairs Committee of the House, Mr Bernard Jenkin.

12.15 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con)

(Select Committee Statement): I am grateful to the Backbench Business Committee for providing time for me to present our 10th report of this Session, entitled “Lessons still to be learned from the Chilcot Inquiry”. The decision to invade Iraq has left an indelible scar on British politics. It continues to be as controversial today as it was at the time, not least because it became apparent after the invasion that it was to become a protracted and bloody affair, costing the lives of 179 UK servicemen and women, as well as those of our allies and of thousands of people in Iraq. The consequences of the decision to invade Iraq remain profound, not only for domestic politics but for our foreign and security policy and the stability of the region.

The Chilcot inquiry was established in 2009 to provide some closure to the controversy. However, in the minds of many, it was already far too late. I am reminded that the House of Commons first voted on the question of whether to have an inquiry in 2002, on a Conservative Opposition motion. For many, the length of the inquiry that was eventually established has itself been subject to extensive criticism. Most of the reporting and discussion of the Chilcot inquiry has been preoccupied with the substance of the decision to go to war, its legality, and what happened in the aftermath of the invasion. Yet there are also lessons still to be learned regarding the machinery of government and how it operated and regarding the conduct of public inquiries, and that is what Public Administration and Constitutional Affairs Committee therefore agreed to focus on.

PACAC’s report, launched today, examines the striking extent to which Cabinet government and collective decision making were sidelined by the then Prime Minister in the run-up to the Iraq war. As was made clear in the Chilcot report, significant decisions on Iraq, pre-conflict were taken without sufficient consultation of Cabinet colleagues. Chilcot concludes that there were 11 decision points prior to the invasion on which there “should have been collective discussion by a Cabinet Committee or small group of Ministers on the basis of inter-departmental advice agreed at a senior level between officials”.

A worrying finding of PACAC’s report is that, if so inclined, a future Prime Minister could override the proper procedures of collective decision making without obstacle. Beyond making representations to Ministers and to the Prime Minister, and short of resignation, a Cabinet Secretary does not have any formal recourse to object if a Prime Minister chooses to disregard the procedures for decision making set out in the Cabinet manual. PACAC is in no doubt that this absence of safeguards cannot persist, and this leads to perhaps the most important conclusion in our report.

We recommend, in line with a proposal from the Better Government initiative, that the Cabinet Secretary and/or senior officials should be able to require a formal letter of direction if they are being instructed to carry out the wishes of the Prime Minister disregarding the normal procedures set out in the Cabinet manual. That would both safeguard the Cabinet Secretary’s independence and clarify their responsibility. It would also make clear to Ministers the vital importance of following proper procedure.

The second key finding of PACAC’s report relates to the establishment, role and conduct of the Chilcot inquiry itself and builds on the work of PACAC’s predecessor committee, the Public Administration Committee, which carried out a number of inquiries into the conduct and effectiveness of public inquiries. PACAC recommends that in future, before an inquiry is established, Parliament should set up an ad hoc Select Committee to take evidence on the proposed remit of the inquiry and to present formal conclusions and recommendations to the House. There should then be a full debate and vote in Parliament on an amendable motion setting out the precise terms of reference and an estimated timeframe and proposed budget for the inquiry. That should ensure that, in future, expectations are much clearer at the outset of an inquiry.

PACAC has not sought to reopen all the issues explored by Chilcot; nor has it explored whether Parliament was deliberately misled by the then Prime Minister, the right hon. Tony Blair. However, by highlighting what the Chilcot inquiry revealed about the weaknesses in the Government’s decision-making procedures, and by exploring what lessons can be learned from the inquiry for the conduct of other public inquiries, I hope that we can ensure that the processes are in place that may enable such controversies to be avoided in future. I commend the report to the House.

Jon Trickett (Hemsworth) (Lab): I will follow the strictures to be brief.

On Iraq, the British Cabinet, the overwhelming majority in the House, much of the media, the three Select Committees, the civil service, the MOD, and the security services all came to the same false conclusion, resulting in a disastrous military adventure and deaths of hundreds of thousands of people. Subsequently, the usual and predictable procrastination, prevarication and obfuscation have, in the end, failed to reveal to the British people the truth of what happened.

The Select Committee’s report is clear that the Chilcot report failed to allow the Committee to answer the central question of whether Parliament was deliberately
made some recommendations that would prevent certain structures and culture is required before we can honestly say to the British people that there will never again be such a failure?

Mr Jenkin: I am grateful to the hon. Gentleman for his question. I voted for the Iraq invasion. I still do not know whether I would have voted the same way had we known much more about it. The salient part is the lack of preparation, and I would not have voted for it had I thought that there had been so little preparation. Having said that, I think the jury is still out on whether, in the long term, the invasion of Iraq will have been of benefit to global peace and security.

On whether Parliament was deliberately misled, the Select Committee just did not feel qualified to make that judgment. We do not have the procedures and wherewithal in this House to conduct a fair trial of the facts. Were such a Committee to be established to do that, it would need to be a very different kind of Committee with a different kind of quasi-judicial procedures. We suggest that the House should be prepared to do that if further facts and information emerge, but Sir John Chilcot was clear that he did not hold former Prime Minister Tony Blair culpable in deliberately misleading the House, and we have to accept that view.

Finally, on whether our recommendations are timid, they are limited to what we felt able to make that judgment. However we organise our politics, I am afraid that there will always be occasions when things go wrong. I do not think that any constitutional structure can protect us from that, although we have made some recommendations that would prevent certain things from happening again.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): Being a member of the Select Committee, I come at this from a position similar to that of my hon. Friend who chairs it with such distinction, which is reflected in the calibre of the report. I have my doubts about whether my vote would have been different had we had more facts, but we take our votes in this House on the facts that are presented to us and then we move forward; we do not get our time over again to relive our votes.

One concern that we were able to cover in the report was the length of time and the unacceptable delays associated with the Chilcot report. The Cabinet Secretary indicated that the Government would consider further the question of how the Iraq inquiry could have been carried out more quickly. We urge that assessment comes as a matter of urgency, so has my hon. Friend received any indication of the timescale, or will we be waiting a long time, as we did for the inquiry itself?

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. On the matter of timescales, we have until about 12.35 pm, which leaves about 10 minutes to get quite a few people in. If we can keep answers and questions a bit briefer, that would be great.

Mr Jenkin: I will endeavour to be extremely brief. I am grateful to my right hon. Friend for her question, her participation in the Select Committee and her contribution to the report. The answer is that we are making recommendations about the conduct of inquiries, and I doubt whether the Government will like them because they would limit their control over the process. Most Governments establish public inquiries to avoid issues, not to explore them and open them up. Why did it take so long to get this inquiry? Our report is as much addressed to what the House must take control of itself in order to ensure that inquiries are better conducted in future.

Alex Salmond (Gordon) (SNP): I congratulate the Select Committee, although I am surprised to hear the Chairman say that the jury is still out on the Iraq war. In terms of public opinion, the jury is in, the verdict has been delivered, and the former Prime Minister has been indicted and rightfully so, although I would have preferred more formal proceedings to those which he faced.

The crucial subject matter in the report boils down to two things. First, I congratulate the Committee on the invention of the letter of direction, which is similar to the financial direction that is part of Government accountability. Perhaps the Chairman could say a bit more about that and about why he thinks it would be effective in avoiding the total and absolute breakdown of collective responsibility that was identified in the Chilcot report.

Secondly, the Committee has not been able to make as much progress on the question of parliamentary accountability. If someone, such as the former Prime Minister, says one thing to the American President, and then says something else or does not say anything to the House of Commons, that is prima facie a misleading of the House of Commons. To avoid that accountability, either one sets up a series of inquiries with limited remits that are unable to adjudicate on that which was done, or one spins things out for so long that by the time there is an inquiry with a big enough remit everybody says, “Why are we raking over the past?” If we allow that to stand, there is no effective parliamentary accountability. Can the Chairman see that the timeous nature of parliamentary accountability and our responsibility can be effected in his report and a mechanism produced so that we have the obligation to take forward what our constituents demand, which is to hold any Prime Minister who behaves in the same way as the former Prime Minister to account in a proper and timeous fashion?

Mr Jenkin: I am grateful to the right hon. Gentleman. The letter of direction should not be a controversial matter, because we already have it in our procedures for financial matters, as he says. One or two former Cabinet Secretaries have bridled at that, but others are very much in support. It does not interfere with the substance of policy; it merely ensures that proper process is covered. We recommend not that the letter of the direction,
which may come at a sensitive time or involve a sensitive issue, should automatically be made public, but that it should, if appropriate and at the behest of the Cabinet Secretary, be made privately available to an appropriate Select Committee, to the Intelligence and Security Committee, to members of the Privy Council or to the Leader of the Opposition. It is just another lever for a Cabinet Secretary to use to secure their independence and the proper process set down in the Cabinet manual that Prime Ministers have agreed to in principle.

On parliamentary accountability and the Prime Minister, it remains open to this House to set up a special Select Committee or privileges Committee to establish proper procedures and provide fair representation for the prosecution and for the defence, but it would be a completely new procedure. Nothing like that has been done in the era when we expect natural justice to be carried to far higher standards. We cannot have a posse of MPs, all of whom have known views on such issues, acting as some kangaroo court to arraign a former Prime Minister. That would be ridiculous and would not do this House any good.

Mr John Whittingdale (Maldon) (Con): On the establishment of inquiries, my hon. Friend will be aware that the Secretary of State for Culture, Media and Sport is considering whether to reconvene the Leveson inquiry, which has already sat for 15 months, at a cost of more than £5 million, to examine events approaching 10 years ago. What advice would he give to the Secretary of State?

Mr Jenkin: As perhaps should have been done with the child sex abuse inquiry, I suggest that the Secretary of State comes to this House to ask for a Committee to be set up. Let us have an inquiry into the inquiry before we get stuck on the tramlines of legality and appointing people. She should look before she leaps and accept that Governments should not be able to establish inquiries to get themselves out of inconvenient difficulties. The House is here to assist such scrutiny, and it should be here to provide oversight so that an inquiry is properly conducted in a timely fashion.

Kelvin Hopkins (Luton North) (Lab): I am a member of the Select Committee. I supported the publication of the report, but in the spirit of acquiescence rather than enthusiasm. The Chairman will recall that I was uneasy about one or two phrases that were subsequently corrected. In particular, does he agree with our inserting the possibility of a further inquiry—not by our Select Committee but possibly by others—if further evidence comes to light?

I personally believe that we were misled by the then Prime Minister on weapons of mass destruction and the pretext for war. I was one of 139 Labour MPs who voted against the war, and I stand by that decision. Some of the unease I feel was expressed by my hon. Friend the Member for Hemsworth (Jon Trickett). Does the Chairman accept that I expressed some unease at the time? I support the publication of the report, particularly the recommendation that it might be worth while for a future inquiry to be carried out, not by our Select Committee but by others.

Mr Jenkin: The hon. Gentleman has been a trouper on the Committee for many years. I accept that this was a difficult inquiry to agree. In our draft, because we were concentrating on process and procedures rather than on the substance of the issues, we had to reflect some of the tone of the anxiety that so many people feel about this issue. I hope he felt able and comfortable to support the inquiry. He fully supports our recommendations, for which I am grateful.

Mr David Nuttall (Bury North) (Con): Does my hon. Friend agree that the overriding lesson that most people will think we can learn from Chilcot is that such reports take too long and cost too much?

Mr Jenkin: The inquiry is an extraordinarily thorough piece of work. Sir John Chilcot should be commended for what he achieved, the detail he went into and the seriousness with which he approached the inquiry, but it was not what the public initially expected. The Crimean war was in many respects a far bigger disaster, but the inquiry into that was conducted in the space of a few months, which I think is what the public hoped for with Chilcot—there were some fairly obvious top-level things.

We conduct inquiries using Salmon letters—the Maxwellisation process—and there is a tremendous sense of obligation to provide people with fairness in inquiries that perhaps did not exist after the Crimean war. We need to set down parameters for such inquiries, which is what a Select Committee would do if it studied an inquiry before it was set up. A Select Committee would set those parameters in a motion establishing the inquiry.

Ann Clwyd (Cynon Valley) (Lab): I found out only by accident that the statement was taking place. I have not read the report, but I listened with interest to the hon. Gentleman’s statement. Nobody would disagree with due process. I sent out this Twitter message two hours ago:

“My thoughts are with the victims and survivors of Saddam Hussein’s genocidal campaign in Halabja, 28 years ago today.”

That campaign is one of the reasons why I and many others, the majority in this House, voted for the war.

Mr Jenkin: I am grateful for the right hon. Lady’s kind remarks, and it is important that we make such Select Committee statements because they engage more Members in our reports. I regard our report as a serious piece of work that makes serious recommendations, and hon. and right hon. Members of all views on the original conflict can embrace it as a better way of making such decisions in government and a better way of conducting public inquiries.

Ronnie Cowan (Inverclyde) (SNP): As a member of the Select Committee, I point out that the Chilcot inquiry was about identifying mistakes that led to loss of life, military and civilian. With that in mind, it is unacceptable that the inquiry took seven years to reach a conclusion. Those mistakes could have been repeated in that timescale. However, the Committee points out:

“The Iraq Inquiry reported that the Blair Government did not expose key policy decisions to rigorous review.”

Back ing that up, paragraph 63 says:

“Cabinet was… being asked to confirm the decision that the diplomatic process was at an end and that the House of Commons should be asked to endorse the use of military action to enforce Iraq’s compliance. Given the gravity of this decision, Cabinet should have been made aware of the legal uncertainties.”
I put it to the Chairman that the evidence provided to the Cabinet appears to have been designed to produce the result that the then Prime Minister was looking for.

Mr Jenkin: I think that is an accurate comment, and I am grateful to the hon. Gentleman for his contribution to the Committee and this report. It cuts both ways, because the Cabinet went along with being sidelined. Chilcot was clear that plenty of Cabinet Ministers were quite content to leave it to others to make the decisions when they had the right to insist on being consulted. Our report addresses how the legal advice was taken, explored and discussed by the Cabinet, and we make recommendations about that. Our proposals make clear what Cabinet Ministers are entitled to expect. It is not a favour to ask that of the Prime Minister; it is part of the proper procedure of Cabinet government. We do not have a superannuated presidency in this country. We have a constitutional Cabinet Government, which should be reinforced by these proposals.

Paul Flynn (Newport West) (Lab): I am also a member of the Committee, but I do not support this report because I believe it has been interpreted by the press as an act of absolution for the Prime Minister involved and the other culpable people who were led by him, principally the three Select Committees of this House. Going to war was the worst blunder this House committed since sending troops to the Suez war. We should be objective in dealing with our blunders and, although this report has many merits, it does not address the truth that we were led into an avoidable war by a man of vanity who was in a messianic mood—he misled the House in a very serious way.

The hon. Gentleman’s report contains evidence from Dr Rangwala, who rightly says that there are two interpretations of the evidence before Chilcot. One interpretation, which the report suggests should be referred to the Privileges Committee, might lead us to conclude that we went to war in vain. We must remember the principal need to avoid sending soldiers to war in future because of the vanity or inflexibility of this House in making fair judgments. We have that responsibility. If we do not condemn the errors of the past, we are responsible for them.

Mr Jenkin: I am grateful to the hon. Gentleman for his work on the Committee, and I respect that we differ on the report. I appreciate the emphasis he wants to make by declining to support the report, but it is open to the House at any time to refer any matter to the Committee of Privileges. There is a procedure for doing that, and he should try to implement it if he thinks there is a case for doing so.

The difficulty, as the Chilcot inquiry said, is that there are two interpretations of all this and that there is no definitive evidence to suggest culpability or that the former Prime Minister deliberately sought to mislead the House. There are lots of lessons to be learned. As an aside, for the House to be able to make an informed decision, it relies entirely on what the Government tell it. We are in a new era in which the House is consulted about such things, which never used to be the case. We used to have rather more retrospective accountability on such matters, rather than forward accountability, and I question whether such forward accountability works. I do not think the House of Commons is competent to make strategic judgments on the spur of the moment and in the heat of a crisis in the way that a Government should be.

Steven Paterson (Stirling) (SNP): As a new Member in 2015, what struck me about the whole Chilcot experience was the unacceptable delay. As the hon. Gentleman just said, we in this place want to take educated decisions, based on evidence, so for us—and more so for the families of the soldiers who died—the length of time it took to produce the report was unacceptable. He made welcome recommendations about having a stricter remit and stricter timing for such inquiries. How can we take that forward in this House to make it happen? Do we need to have a vote on it, or is it in the Government’s gift to do or not do this?

Mr Jenkin: Ultimately, it is in the hands of this House, subject to whipping and all the pressures that are put on it, to decide how inquiries are conducted. If the Government are setting up an inquiry that this House does not like, this House can stop it; we are a sovereign House and that is what we should do. I agree so much with the hon. Gentleman’s comment that the length of time this took was unacceptable. Indeed, we make the point that it undermined not only the credibility of the inquiry, but the very confidence in public institutions that it was intended to try to restore. It did not serve the purpose that this House might have wanted it to serve because it took so long, and of course it was grievous torture for the families of those who had lost life and limb in this conflict.
Suicide Prevention

HEALTH COMMITTEE

12.41 pm

Dr Sarah Wollaston (Totnes) (Con) (Select Committee Statement): The scale of the avoidable loss of life from suicide is unacceptable. In 2015, 4,820 people in England took their own lives, and across the UK 6,122 people did so in 2014. But those official figures underestimate the true scale of the devastating loss from suicide, which remains the leading cause of death in young people between the ages of 15 and 24, and it is the leading cause of death in men under 50. It is strongly linked to deprivation and is a major contributor to health inequality. However, the key message our Committee heard throughout its inquiry is that suicide is preventable, and we can and should be doing far more to make sure we reduce it. That was the key focus of our suicide prevention inquiry.

First, let me thank all those who contributed to the inquiry, particularly families bereaved by suicide, and those who had experienced suicidal ideation and been users of mental health services. Their evidence was courageous and compelling. I also thank all the voluntary groups and volunteers who are working to provide support for people in crisis, and all our front-line staff. Finally, I thank my fellow Committee members and our Committee staff, particularly Laura Daniels, Katya Cassidy and Huw Yardley.

I shall now move on to what we found in our inquiry. First, let me say to the Government that we welcome their suicide prevention strategy, but as with any strategy the key is implementation. We therefore call on them to go far further in implementing and resourcing it, and to give greater attention to the workforce in order to make the important improvements come forward. We also make further recommendations and we are disappointed that the Government have not gone further in a number of areas. We know that we can take actions to reduce suicide and we highlight a number of these in our report. For example, we know that half of those who take their own lives have previously self-harmed, and we feel it is really disappointing that the experience of so many of those who have self-harmed when they go to casualty departments is that they are made to feel that they are wasting people’s time. We know that liaison psychiatry makes an enormous difference, but there are resourcing issues on that.

We also know that those who have been in-patients in mental health settings should receive a visit within three days of leaving in-patient services, but there simply are not the resources available for that to be put in place. We call on the Government to go further in looking at the workforce and resourcing needed for that to happen. We know of other serious issues, for example, the fact that about a third of people who take their own lives are not in contact with either primary care or specialist health services in the year before their death. We feel that suicide is everyone’s business and we all have a responsibility to reduce the stigma attached to mental health so that it is easier for people to seek help. Again, I pay tribute to all those who are working in this field, reaching out to people in non-health settings and making a real difference. However, many of those voluntary groups are coming under great financial pressure. It is welcome that the Government have announced that there will be £5 million for suicide prevention, although that does not come in until next year, with £10 million in each of the subsequent two years. However, we feel that that is too little, too late, particularly given the cuts to public health grants and across local authorities to those services that can reach out to people who are vulnerable to suicide.

We would like the Government to put a greater focus on adequately resourcing the measures they set out in their suicide prevention strategy. We would particularly like them to look at how those plans are being implemented. It is very welcome that 95% of local authorities have a suicide prevention plan either in place or in development, but there does not seem to be sufficient quality assurance for those plans. We would therefore like a national implementation board to look at how we can move those plans forward, because any strategy, however good, cannot be effective if it is sitting on the shelf and not being implemented. That was one of the key messages we heard from our witnesses, and I know that the Minister will have heard it from the National Suicide Prevention Strategy Advisory Group loud and clear.

We also know that there are things that need to happen when people are in contact with services. It is disappointing that greater focus has not been put on the consensus statement for information sharing. On too many occasions, when someone hears that a loved one has taken their life it is the first time they have heard that their loved one had been in contact with services—nobody had let them know. Understandably, health professionals are concerned about issues of confidentiality and consent, but what the consensus statement makes clear is that if we ask people in the right way, they are much more likely to give that consent to information sharing. We would like to have seen the Government put a greater focus on how we can increase awareness of how health professionals go about sharing information with people’s loved ones, because we believe that will save lives.

We think that measures can be taken across the board both out in the community and within health care settings and specialist settings, but the Minister will know that our inquiry also examines the role of the media. Irresponsible reporting of suicide increases suicide rates, as we know, and far more can be done within the broadcast media, the mainstream media, on social media and on the internet to make sure that we save lives. I was very pleased that during today’s Culture, Media and Sport questions the Culture Secretary agreed to a meeting with me, but I hope that the Under-Secretary of State for Health, my hon. Friend the Member for Oxford West and Abingdon (Nicola Blackwood), will assure me that she will be liaising with colleagues in the Government to make sure we can save lives in that way.

Finally, I wish to touch on the issue of data. We know that there is an issue relating to the increasing use of narrative verdicts which are hard to code. That results in the official data we have on suicide under-representing the true scale of the avoidable loss of life, and with the huge variation we have around the country this makes it much more difficult to understand what works best in preventing suicide. We would like the Minister to revisit the recommendations in our report on how to provide better training to coroners and how we review the evidential standard and move from using “beyond reasonable doubt” to the “balance of probability” in recording suicide. Only in that way can we ensure that...
we are doing absolutely everything possible to protect families and individuals in future. I commend the report on suicide prevention to the House and call on the Government to go further in implementation.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Labour welcomes the recommendations in the report, and I join the hon. Lady in thanking Select Committee members and staff for their work.

The Committee visited the award-winning Salford mental health liaison team, which offers 24/7 mental health support at Salford Royal hospital and has been able to halve the admission rates for people with mental health problems. The Royal College of Psychiatrists reminds us that only 7% of emergency departments provide 24/7 liaison psychiatry services, and said it would be difficult to recruit enough psychiatrists and other staff to provide such a service in every hospital—the hon. Lady touched on that in her statement. What does she think the Government must do to ensure that there are enough trained staff to establish and sustain liaison psychiatry services in every acute hospital to help to deliver the suicide prevention strategy?

**Dr Wollaston:** We need to start right back at medical school recruitment and what happens in medical schools and beyond, to encourage more health professionals—not just doctors, but nurses as well—to consider psychiatry and mental health services as a career. One of the key issues is the lack of a workforce. I know the Government are working with Health Education England to improve the situation, but we would like to see them go further. Also, we need to ensure that resources get to the frontline.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): I congratulate my hon. Friend on her chairmanship of the Select Committee and its recent report. She will know that recent studies, particularly one done in Sweden, have indicated that people with high-functioning autism spectrum disorder have a ninefold increased suicide risk. What more could be done to help those individuals and their families? How can we raise awareness among the agencies that intervene with them and their families, and particularly among health professionals, so that they are aware of the heightened risk?

**Dr Wollaston:** We need to start right back at medical school recruitment and what happens in medical schools and beyond, to encourage more health professionals—not just doctors, but nurses as well—to consider psychiatry and mental health services as a career. One of the key issues is the lack of a workforce. I know the Government are working with Health Education England to improve the situation, but we would like to see them go further. Also, we need to ensure that resources get to the frontline.

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**Barbara Keeley** (Worsley and Eccles South) (Lab): Labour welcomes the recommendations in the report, and I join the hon. Lady in thanking Select Committee members and staff for their work.

The Committee visited the award-winning Salford mental health liaison team, which offers 24/7 mental health support at Salford Royal hospital and has been able to halve the admission rates for people with mental health problems. The Royal College of Psychiatrists reminds us that only 7% of emergency departments provide 24/7 liaison psychiatry services, and said it would be difficult to recruit enough psychiatrists and other staff to provide such a service in every hospital—the hon. Lady touched on that in her statement. What does she think the Government must do to ensure that there are enough trained staff to establish and sustain liaison psychiatry services in every acute hospital to help to deliver the suicide prevention strategy?

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Chris Elmore (Ogmore) (Lab/Co-op): I congratulate the hon. Lady and her Select Committee on their work. She might be aware that in the mid-2000s there was a series of tragic suicides across the Bridgend County Borough Council area, of which my constituency forms part. I obviously was not a Member of this House when those suicides took place, but they are a major part of people’s memories of what happened across those communities.

On media attention, the hon. Lady may be aware that a film was made about those suicides that was not welcomed by the various communities; I am glad she is pursuing the part of the report on tackling the media impact regarding the glorification of suicide, if I can put it like that. Suicide prevention and health policy more widely are devolved to the Welsh Government, but will she consider sharing the Select Committee’s report with the Welsh Assembly’s Health, Social Care and Sport Committee? I passionately believe that if we can learn best practice on tackling suicides from Select Committees in the Scottish Parliament, the Northern Ireland Assembly or, indeed, the Welsh Assembly, we should share that throughout the UK.

Dr Wollaston: I would be delighted to meet the hon. Gentleman and share the report, as he suggests, because I agree that we should be sharing best practice throughout the devolved nations and England. On the specific point about the role of the media, the Samaritans has produced really clear guidelines, which I hope all media organisations will look at closely. We should also go beyond broadcast and print media and look at the role of social media.

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): I welcome the Health Committee’s report on suicide prevention and congratulate my hon. Friend on their work on this very important issue. I join her in thanking those with lived experience who bravely contributed to the Committee’s work; the impact of their contribution cannot be overestimated.

Every death by suicide is a tragedy that has a devastating effect on families and communities, which is why the Government are committed to reducing the national suicide rate by 10% by 2020. We want all areas to learn lessons from organisations such as Mersey Care, with its zero suicide ambition. We were particularly grateful that the Committee published an interim report in December, as it allowed us to address many of its recommendations in our update of the national strategy. These included how we are driving local delivery, addressing stigma, improving suicide bereavement services and increasing awareness of the consensus statement for information sharing for people at risk of suicide. However, we do accept that we need to go further on implementing the cross-Government national suicide prevention strategy, which is why we published the updated strategy to strengthen delivery in key areas, including in implementation. It is also why we will continue to provide further updates.

The refreshed strategy now includes better targeting of high-risk groups and, for the first time, addresses self-harm as an issue in its own right, which is one of the most significant issues of suicide risk. We are working with the National Suicide Prevention Strategy Advisory Group, delivery partners across Government, and other agencies and stakeholders to develop an improved implementation framework.

We are already making good progress in ensuring that all local areas have a suicide prevention plan in place by the end of the year. To date, 95% of local areas have a suicide prevention plan in place or in development. We will also work with local areas to assess the quality of those plans, building on guidance on good practice. We have run a series of suicide-prevention planning masterclasses carried out by Public Health England to improve that quality. We have also published guidance to local authorities in January on developing and providing suicide bereavement services as an important plank of the plan.

Furthermore, we have announced that we will publish a Green Paper this year on children and young people’s mental health and develop a national internet strategy, which will explore the impact of the internet and social media on suicide prevention and mental health. That will address some of the issues that my hon. Friend has raised about the media and suicide. Hon. Members will also know that we are committed to all A&Es having core liaison services by 2020. They have rightly raised the fact that the workforce will be essential in delivering that ambition, and we will imminently be publishing our mental health workforce strategy, the performance of which I am sure that the Select Committee will closely scrutinise. We will carefully consider all the recommendations made by the Committee in this report and respond to them in due course.

My hon. Friend has rightly raised the connection between mental health services and suicide prevention. Does she agree that we cannot think about suicide without considering the broader matter of mental health? Will she and the Committee join me in welcoming the wide range of measures set out by the Prime Minister in January, in addition to the five year forward view for mental health, with a focus on earlier intervention and prevention in mental health services, because those improvements will be essential if we are to make the progress on suicide prevention that all of us in this House want to see?

Dr Wollaston: I thank my hon. Friend the Minister for her comments and agree with her absolutely about the importance of prevention and early intervention. I look forward to the strategies to which she has referred and to working with her to do all that we can to improve mental health and to reduce the terrible toll from suicide.
Backbench Business

Energy Prices

1.2 pm

John Penrose (Weston-super-Mare) (Con): I beg to move,

That this House deplores the big six energy firms’ treatment of out-of-contract energy customers on default tariffs; believes immediate action is needed to protect those consumers, and that pushing customers to start switching will not fix the problem sufficiently quickly or completely on its own; and calls on the industry, regulators and the Government to consider solutions which recognise that many people lead busy lives and that switching their energy supplier may not always be a high priority.

I thank the Backbench Business Committee for finding the time for us to debate this important and topical motion today. I also thank my two co-sponsors, the right hon. Member for Don Valley (Caroline Flint) and the hon. Member for North Ayrshire and Arran (Patricia Gibson), and the 50 or so MPs from across the political spectrum who all feel that the treatment of most energy customers is sufficiently outrageous and unjust to merit raising it here, in the mother of all Parliaments.

Most industries believe that customer loyalty is hugely important; an asset to be prized. Most businesses reward their most loyal customers with special treatment to keep them coming back—whether it is a supermarket’s loyalty card, an airline’s air miles scheme or just the coffee card that gives you a free cuppa after it has been stamped 10 times. Energy is an exception. What other industry does not give its most loyal customers any discounts or special deals, but instead charges them higher prices than anyone else? Which companies believe that loyalty matters. Obviously, some are more impressive than others, but they all have one thing in common: they are hungry. They know they have to impress and delight their clients, because they cannot rely on exploiting a “back book” of long-term customers to stay fat and happy. The figures are stark. Roughly two thirds of all customers—at least 20 million households—are on the expensive, rip-off deals: the standard variable tariff. A minority of customers switch to a different energy supplier regularly, but most of us do not. The amount of switching has been creeping upwards, but much of the change has come from the same bargain hunters churning round and round in ever faster circles between different energy firms. The number of households that have rarely or never switched remains stubbornly high, which suits the big six just fine. So, what is the answer? How do we put energy customers in the driving seat? Do we give them the same power to choose a new supplier as easily as we switch to a different brand of toothpaste or coffee? How do we make them compete to delight us, rather than quietly exploiting us?

First, we have to make switching a lot easier. Choosing that different brand of toothpaste in a supermarket is easy: we just pick a different tube off the shelf. Too many people find switching to a different energy firm scary and stressful, and are frightened off as a result. Even the price comparison sites, which have an interest in making the process as simple and as easy as possible, say that huge numbers of customers abandon their search when they are asked a basic, essential question such as what is their current energy usage. Others think that switching is likely to go wrong, and that they might end up cold and shivering in a home without power if the move does not happen smoothly.

My hon. Friend the Member for Bury North (Mr Nuttall) has already mentioned the impact on some households of the new smart meters. Others simply have not got the time to switch. Many of us lead busy lives, juggling careers, childcare, school runs and goodness knows what else. Switching our energy supplier can be expensive, unfair deals when they are not looking, and then milked—ripped off mercilessly for as long as possible. The answer is the big six energy firms. The rest of the energy industry is pretty good. There are 30 or more newish energy firms snapping at the heels of the big six, and they understand that customer loyalty matters if they want to grow.

Mr David Nuttall (Bury North) (Con): As my hon. Friend will know, there has been a huge roll-out of smart meters, which is one way of people keeping an eye on their energy bills. Unfortunately, though, when people do switch providers, they find that their smart meter has to be replaced at the same time. Does he agree that that is one reason why perhaps some people are becoming unwilling to change providers?

John Penrose: There are many reasons why switching has not caught on to anything like the degree that we need it to if we are to transform the sector. I understand that one factor may very well be this problem with the introduction of smart meters, but there are others, too. My hon. Friend was quite right to point that issue out, and I will mention some others later on in my speech.

As I said, there are 30 or more newish energy firms snapping at the heels of the big six, and they understand that loyalty matters. Obviously, some are more impressive than others, but they all have one thing in common:
Mr George Howarth (Knowsley) (Lab): The hon. Gentleman is making a very good point, and I agree with it. Does he agree though that it is more problematic for people who live in tower blocks, where the energy supply is collectively controlled by the landlord who might not have any incentive to switch to another supplier?

John Penrose: The right hon. Gentleman is exactly right. One of the things that may be improved by the roll-out of smart meters, which we heard about earlier, is those collective bills, which would be broken down. Many energy suppliers and others in the industry are concerned that too many hopes may be being invested in smart meters and they may not necessarily produce a lasting uplift in customer engagement and interest—they will start off as an interesting new gadget in the corner of the room, but after a few weeks or months that interest may die away. We will have to wait and see, but he is right that there is an opportunity, at the very least.

In the spirit of trying to make switching simpler and less scary, firms such as Make It Cheaper, Flipper, OVO and Money Saving Expert provide end-to-end services that do the donkey work for us, handling everything from finding a better deal to organising the switch itself. They appeal to those of us who currently think that even the most convenient price comparison sites take too much of our valuable time.

Mr Charles Walker (Broxbourne) (Con): Does my hon. Friend agree that part of the problem with the big six and other generators, such as Veolia, is that they are not straightforward and honest with their customers and stakeholders? Until they are straightforward and honest, there will be disquiet about their conduct.

John Penrose: That is one of the underlying concerns about the way that this industry operates. People are not necessarily asked at the moment they are switched to the default tariff, so when they notice that they have been—if they notice—they feel that they are being ripped off, because those default tariffs are so much higher. That leads to distrust of the suppliers, and that is one of the things corroding the underlying trust in the industry as a whole. It is incredibly dangerous. I think some forward-thinking people in the industry understand that and the brand damage that is being done, not just to individual firms but to the sector as a whole. Trust is slow to gain and easy to lose. My hon. Friend has a background in marketing and consumer business, so I am sure that he understands what I mean.

Rolling out the end-to-end services that I mentioned, which are still in their infancy, should persuade a new group of customers who currently do not switch at all to do so, extending the number of people in that stubborn two thirds of the customer base who do not switch, or do so very rarely.

These changes, taken together, are essential steps to solving the underlyung fundamental problems that make the energy market such a rip-off. If the Government, the regulator—Ofgem—and perhaps even enlightened energy firms themselves are willing to take those steps, abuses and consumer detriment will start to fall and customers will finally be in the driving seat, as we already are and expect to be for everything else, from toothpaste and coffee to cornflakes and soap.

But how long will this take to fix? How quickly will the rip-off stop? Even then, will there still be stubborn pockets of problems left over here and there? Given that fully two thirds of all customers are on these rip-off tariffs and that proportion has been glacially slow to change, there is an awfully long way still to go. Even under the most optimistic scenarios, an unacceptably large number of households will still be being ripped off for too many years yet. So we need a stopgap—a temporary solution—while all those other changes to make switching easier and less scary start to take effect.

The answer is a relative price cap—a maximum mark-up between each energy firm’s best deal and its default tariff. If someone forgot to switch to a new deal when their existing one came to an end, they would not be ripped off too badly, but people would still be able to save plenty of money when they got round to switching again, so it would always still be worth their while to become engaged and take that additional action, should they be so minded.

Under these proposals, energy firms would still be able to compete on price—they could still decide whether they wanted to be the Aldi or Lidl of the industry, or the Waitrose or Marks and Spencer—and could still have as many tariffs as they wanted, so there would be plenty of customer choice. If someone wanted a green energy tariff, that would be fine. If someone did not like computers or wanted to do it the old-fashioned way with offline paper and an ink deal, that would be no problem.

I am delighted to confirm today that the idea of a relative cap is supported by three of the largest challenger brands—OVO, Utility Warehouse and Octopus Energy, which cover hundreds of thousands of customers between them—and I hope to persuade others to join the cause in due course.

Crucially, a relative cap is a lot better than a normal price cap. A relative cap would mean that each energy firm could still adjust its prices whenever the wholesale price of gas or electricity went up or down, but a normal cap would mean that Ofgem had to approve any changes, which inevitably would be slower and create work for lawyers and lobbyists. A relative cap would also mean that energy firms still had plenty of incentives to innovate and find new ways to please particular groups of customers however they wanted, without needing Ofgem’s approval first.

Lobbyists and lawyers will hate a relative cap, because there will be much less lobbying and lawyering to do. Putting customers in the driver’s seat would mean fewer fat fees and fat lunches. If customers could switch their supplier as easily as changing their brand of cornflakes or soap, we politicians, and the bureaucrats and regulators, would rightly matter a lot less in this area. Because of the extra clarity and simplicity, a relative cap would mean that we could deregulate, too, by striking out reams of regulations, red tape and guidelines that complicate the market and stop energy firms thinking about their customers first and foremost and make them focus on their regulators, lawyers and compliance directors instead. A relative cap would reduce red tape rather than add to it.

But the people who would hate a relative cap the most are the big six, because it would force them to treat us, their consumers, fairly, to reward loyalty rather than exploit it and to fight hard to keep long-standing customers
rather than take us for granted. In other words, it would force the industry to be a normal industry with normal firms where the customer, not the regulator or politicians, is king.

I know that both Ministers and regulators understand this problem. They have spoken to me and many others in this House about it, and both the Secretary of State for Business, Energy and Industrial Strategy and the Prime Minister have been trenchant in criticising the sector for not delivering an economy that works for everyone, so I hope that they will accept the thrust of this motion.

The time for action has come. We simply cannot argue, as others have tried to, that even though fully two thirds of the country is being ripped off, we are not going to help or protect those victims because it is their own silly fault if they are not savvy enough to switch. Yes, we need to make switching easier and safer so that, eventually, most of us do it most of the time. That is clearly the right long-term answer. But I hope that Ministers accept that, until that glorious day, we cannot simply sit back and allow consumers to be harmed on this scale for this long and do nothing. We need to do more.

**Alex Salmond** (Gordon) (SNP): On a point of order, Madam Deputy Speaker. This is further to a point of order I raised a couple of hours ago with Mr Speaker about a prime ministerial statement on the Scottish constitution that he pointed out was hypothetical at that time. He said that if such a statement were made, he would entertain a statement from the Dispatch Box by the Prime Minister. That statement has now been made by the Prime Minister, and it has been interpreted as an attempt to bounce the Scottish Parliament’s vote next Tuesday on a Scottish referendum. She seems to be dictating the timing of any such referendum. These points were put to her at Prime Minister’s Question Time yesterday, and she had a full and fair opportunity to give her answer and to be questioned.

Madam Deputy Speaker, you will understand that parliamentary accountability means that if somebody such as the Prime Minister makes a statement about a change of policy, Members of Parliament are prepared to ask questions about it—questions such as, “What happens if the Scottish Parliament is not bounced and votes for a referendum next week? Why does the Prime Minister believe that the timing is not right when this House is going to be asked in 18 months’ time to take or leave a deal with Europe?” Fundamentally, there is arrogance in saying to people in Scotland that they shall not have the right to an act of self-determination or saying to this Parliament that we do not have the right to examination.

Madam Deputy Speaker, have you had a request from the Prime Minister to come to the Dispatch Box and go for parliamentary accountability, or does she feel that Scotland is some sort of county as opposed to the country that it actually is?

Madam Deputy Speaker (Natascha Engel): I thank the right hon. Gentleman for that contribution, which was not a point of order. I was here when he made his previous point of order—the Speaker was in the Chair—and I heard the response to it. I have been in the Chamber the whole time, so I have not heard any statement made by the Prime Minister, but the right hon. Gentleman has successfully put all his questions and concerns on the record.

1.20 pm

**Mr Iain Wright** (Hartlepool) (Lab): I congratulate the hon. Member for Weston-super-Mare (John Penrose); it is an honour to follow his speech. He set out the arguments incredibly well. He is passionate and knowledgeable, and his points about the energy market were incredibly measured. I pay tribute to him, my right hon. Friend the Member for Don Valley (Caroline Flint) and the hon. Member for North Ayrshire and Arran (Patricia Gibson) for securing this important debate. The issue affects all our constituents—millions of people up and down the country—and I thank the Backbench Business Committee for agreeing to the debate.

The excellent opening address of the hon. Member for Weston-super-Mare made it very clear that the energy market is not working in the best interests of customers. That is not to say that there is any collusion whatever between the energy companies—far from it. Ofgem told us on the Select Committee on Business, Energy and Industrial Strategy that the major energy companies have quite different price strategies; there can be a difference of about £140 a year between what the major energy suppliers charge dual fuel customers.

In addition, as the hon. Gentleman said, there have been welcome new entrants to the energy market, which have disrupted, in a very positive way, the energy oligopoly that has been in place for far too long. There are more innovative companies offering better choice, service, and value to the energy customer. Ten years ago, the big six companies dominated the entire market, with a 100% market share. Last year, that had moved to 85%, which is great. That is positive news. New entrants are taking market share and offering quite competitive fixed-term deals.

I said that there was no evidence of collusion between energy companies, but there are marked similarities between the major energy companies’ business models, and they do not act in the best interests of customers; in fact, as the hon. Gentleman said, they actually punish customer loyalty. Their business models are predicated on a sizeable proportion, if not the majority, of their customer base being, and continuing indefinitely, on their standard variable tariff. Looking at the big six companies, 74% of British Gas customers are on its SVT; for EDF, it is 56%; for E.ON, 73%; for npower, 59%; and for ScottishPower, 50%; and an astonishing 91% of SSE’s customer base is on the SVT.

SVTs are, in the main, the most expensive of all the energy tariffs available, yet almost half of all customers have been with the same supplier for five years or more, and 44% of customers have never changed tariff. It is almost guaranteed that those households are overpaying for their energy. The Competition and Markets Authority estimates that, due to a lack of competition in the market, collectively customers are overpaying for their energy to the tune of £1.4 billion. Despite all that, and the very clear evidence that the market is not working in the interests of customers, energy companies continue to penalise customers for their loyalty. The longer a person is with a company, the more they are likely to pay. In a modern, customer services-oriented economy, what other market could possibly say that?
When npower raised its prices by 14% last month, Ofgem stated to the Select Committee quite categorically that it did not see a case for such a significant rise. Ofgem’s chief executive told our Committee that wholesale costs had risen by about 15% in the past year. However, the overall cost of energy was marginally below what it had been three years ago.

Mr Charles Walker: I made this same point to my hon. Friend the Member for Weston-super-Mare (John Penrose): the big six and Veolia behave in this way because there is a culture of arrogance and entitlement. That is the problem, and we—or, more to the point, the companies—need to address that culture.

Mr Wright: The hon. Gentleman is absolutely right. A market has to be dynamic. Companies should be nervous about customers moving away, but customers are not doing that. As I said, these companies’ business models are entirely predicated on the fact that people will, for a variety of reasons, stay on the expensive tariff; because of that, though companies may provide loss-leading deals for new customers, they scoff at customer loyalty. This market is not working in anybody’s interests. It is not dynamic, efficient or effective, and ultimately it is not benefiting customers.

Mr Walker: The problem is not just the way that organisations such as Veolia and the big six treat their customers; it is the way that they treat their regulators and this place—elected representatives.

Mr Wright: This is not just about price and cost; it is about customer service, and what teeth the regulator has—and, ultimately, the Government provide—to ensure a dynamic energy market.

It is true that wholesale costs went up by about 15% last year, and obviously the wholesale cost of energy is ultimately a big part of the energy bill that goes to the customer, but the cost of energy is marginally lower than it was three years ago. Companies hedge their risks when it comes to purchasing energy, which should flatten any price spikes that they experience when buying their energy on the global market. That means that retail prices to customers might not fall as quickly and as sharply when wholesale prices fall, but conversely, it certainly should stop big price hikes when wholesale prices rise, and we have seen no evidence whatsoever of that.

Last month, in announcing its big price rise—the biggest for many years—npower stated on its website: “over the past few years, the cost of supplying energy to your home has increased, as well as the amount we need to pay towards government schemes.”

This is slightly unusual for me, but allow me robustly to defend the Government. The phrases that npower and other companies have used about the cost of Government schemes are simply wrong. The Committee on Climate Change today published its analysis of energy prices and household costs, which showed that 9% of the average dual fuel bill for domestic customers is accounted for by the cost of moving towards a UK-based low-carbon electricity supply and support for energy efficiency home improvements. The notion that energy companies can justify price increases through Government action or policies is simply disingenuous.

Caroline Flint (Don Valley) (Lab): My hon. Friend makes an important point. It is worth everybody reading that report from the Committee on Climate Change. Does he accept that part of that 9% of the bill goes on helping people—sometimes the poorest in our communities—to reduce their household bill by introducing energy efficiency measures? It is a worthwhile 9% investment.

Mr Wright: Absolutely, and as my right hon. Friend, who has done fantastic work on this, knows all too well, energy efficiency measures are a key plank of ensuring our competitiveness, tackling fuel poverty and addressing our decarbonisation targets. Everybody wins when energy efficiency measures are prioritised.

Mr George Howarth: My hon. Friend is making a very good case. Does he agree that the energy efficiency measures introduced in tower blocks, and sometimes in low-rise properties, can be complicated to use, and if they are not used properly, they can be more expensive to the consumer? I have had two examples in my constituency over the past few years in which people have ended up paying more for a lower standard of heating. Does he think that there is a case for the Government looking at issuing guidance to local authorities and registered social landlords about how to install these systems and inform tenants about how they are supposed to be used?

Mr Wright: My right hon. Friend makes a really powerful point. I was in the Chamber when he made an intervention about switching suppliers and noted that often people in tower blocks are not able to do that. He makes a powerful case and vividly illustrates that the market is not working in the interests of consumers, who might often be in low-waged and vulnerable households. The Government and regulator need to take steps to make sure that the market works.

Ofgem told us that energy companies have increased their prices largely because they have not been successful in controlling their own costs. Sufficient and efficient companies have been able to reduce and absorb cost increases, and have therefore passed on those benefits to the customers by eliminating any risk of price increases. Others have not done so and, due to the nature of their business model, which I explained earlier, feel that they do not have to consider customers because customers simply will not switch and will continue to stay on the most expensive tariff. Customers are literally paying the price for the failure of energy companies to manage their businesses and control their costs. I said to the hon. Member for Broxbourne (Mr Walker) that I would mention that this is about not just costs, but customer service and a lack of trust in energy companies. There is a huge number of examples. I imagine that every hon. Member has cases regarding this in their inbox.

Citizens Advice told the Committee that companies are getting the very basics wrong with late, missing and inaccurate bills. When they get things wrong, they are failing to provide customers with redress. The market is simply not working. So what is the solution? The current policy response seems to be a dual approach—to encourage companies to engage with their customers more efficiently and to communicate widely the benefits that come from switching. Switching should certainly be encouraged, as
customers can make savings of hundreds of pounds if they switch. On the back of the recent price rises from energy companies, I switched the energy supplier for our house and we saved £249. There are big savings to be made. I encourage customers to switch, switch and switch again.

As the hon. Member for Weston-super-Mare said, a small proportion of domestic customers do switch, and they switch very often. They are savvy customers who know the market and want to get the best possible deal, but that remains relatively rare. The vast majority of energy customers do not switch for a wide variety of reasons. For example, people may think, “Can I switch? Aren’t I still with the local electricity board?” “Will it be too complex? I’m frightened of the hassle factor”, or “I’m frightened that my energy supply might be disrupted.” There is a whole range of things, not least, as the hon. Gentleman said, that people lead busy lives, so they often do not consider an essential utility such as energy. It is not sufficient to state that the energy market will be fixed by encouraging more switching and better engagement. There needs to be a fair deal for all energy customers—for the two thirds who do not switch, and not just for those who do so.

The Government often talk a good game when it comes to tackling energy prices. When it was revealed in the autumn that the energy companies were making higher profits than reported, the Secretary of State hauled those companies into his Department for an explanation, but nothing materialised. When npower raises its prices last month, a spokesman for the Prime Minister said:

“We are concerned by npower’s planned increases—we are committed to getting the best for households. Suppliers are protected from recent fluctuations in wholesale energy prices which are set two years in advance so we expect them to treat customers fairly and clearly where markets are not working we are prepared to act.”

Only this week, in answer to my question during business, energy and industrial strategy questions, the Secretary of State said that “time is up” for those energy companies. But no action has been taken. Customers will have to endure in the next days, weeks and possibly months high prices rises with no action taken whatever. The regulator says the price rises are not justified. No. 10 says that it is concerned, and the Department has had energy companies hauled in, but nothing has been done. This does not seem to reflect the urgency that should be given to the issue. The key point that I would like to be made in this debate is the Minister saying how the Government are going act—and act now—to ensure that customers get a better deal.

The hon. Member for Weston-super-Mare has an important policy response suggestion when it comes to a restricted price cap, and this could be an important means of providing customers with some respite. He mentioned a number of energy companies that have put forward the idea, and there are some quite striking quotes from the people who run those companies. Stephen Fitzpatrick, chief executive of Ovo Energy, said that the energy market was failing because companies were “free to charge whatever they think they can get away with, at the expense of disengaged or confused customers.”

He also said:

“The time has come for the Government to step in and take bold action to protect consumers’ interests.”

Greg Jackson, chief executive of Octopus Energy, which has about 80,000 customers, said:

“Energy customers are being robbed in broad daylight, and it’s time for decisive action to end the misery for millions.”

Will the Government look favourably on the hon. Gentleman’s point about a price cap? It is very clear that, at a time of crippling price rises from companies seemingly indifferent to the plight of customers, there needs to be a fundamental change to ensure that the market works for all. In the Minister’s response to the debate, he must set out the detailed steps he will take immediately and in the longer term to act in the interests of customers, and set out the timetable. The time for strong words, for hauling the companies into the Department, and for Green Papers and future legislation is over. If the regulator says that there is no justification for price increases and the Prime Minister is saying that action needs to happen, why can we not have action now? Customers are facing price rises now. We should not have to wait for a Green Paper or legislation in the months to come. We need to act immediately. On that basis, what are the Government going to do now?

1.36 pm

Dawn Butler (Brent Central) (Lab): I congratulate the hon. Member for Weston-super-Mare (John Penrose) and my right hon. Friend the Member for Don Valley (Caroline Flint) on securing the debate, and I thank the Backbench Business Committee.

I will pick up where my hon. Friend the Member for Hartlepool (Mr Wright) left off regarding the Government. The Conservative party has changed its leader and, in the process, it seems to have changed some of its policies, thinking that we would not notice. To be honest, it is just not good enough. Many hon. Members have campaigned hard on energy pricing. In response to Labour’s campaigning on energy prices, the former Prime Minister, David Cameron, said that his Government would legislate to ensure that customers received the “lowest possible tariffs”. The current Prime Minister has refused to honour that pledge, and I do not understand why, especially after she stood on the steps of No. 10 promising to look after vulnerable people. That must include people who suffer from fuel poverty including older people, people who have English as a second language and those whom my hon. Friend the Member for Hartlepool says cannot switch easily. They are vulnerable people who are not being protected by the Government.

The Government are proving just to be all talk on this important issue, which is a real shame. They must act to stop the jump in energy prices, or they could adopt one of Labour’s policies—they are used to adopting our policies—and renationalise the energy companies. They could listen to the Mayor of London, who has some innovative ideas on providing energy to people in London. The price hike is a bitter blow to millions of families that will add more than £100 to their typical bill. When people are struggling to make ends meet, this is just not good enough. This is one of the largest ever increases we have seen, and it is simply unacceptable.

The recent Fuel Poverty Awareness day brought home the reality of the fuel poverty situation across the country. Families are facing the agonising decision of whether to
heating or eating, and my constituency in Brent has seen a rise in food banks as a result. Last year, the first ever food bank opened in my constituency in order to help residents, especially those on prepayment meters, to get through the winter and difficult times. The food banks came to the conclusion that a fuel bank was necessary as people were approaching them to ask only for food in tins — food that can be eaten cold — because they did not have the money on their meter to heat up or cook food. Lots of people were just surviving on baked beans, for instance. More should and must be done.

I have been campaigning on energy prices for many years because my constituents have struggled with their energy bills, and more and more have come to my surgery with problems. The hardest hit are those on prepayment meters; the House of Commons Library produced figures showing that prepayment customers pay around 15% more on their gas bills than direct debit customers.

So I launched a prepayment meter campaign, and I am really pleased that lots of Members — on both sides of the House, I must say — participated in it. I called on the Government to ensure that fair tariffs were made available for all. Following the campaign, the Competition and Markets Authority recommended a cap on prepayment meters. That was a significant victory, and I was really pleased, but although the cap will reduce the cost for prepayment customers, it will not reduce it by enough — only by about £80. However, the price penalty on prepayment customers can be as much as £320, so a lot more still needs to be done.

One in five families is being hit by prepayment penalties, and they are often the “just about managing” families. As I say, these are the people the Prime Minister often talks about — the very people the Conservative party public relations machine goes into overdrive about, saying that the Conservative party represents them. If it does represent them, the Government would surely do something about this issue, because people’s inability to heat their homes means they live in damp homes, and it is reckoned that cold-related ill health costs the NHS around £1.36 billion each year. If we want to help the national health service and “just about managing” families, tackling this issue is one step that can be taken very quickly — if there is the will on the Government Benches.

Fuel poverty is a massive problem. It affects over 4 million UK households. In my constituency, one in eight households is classified as fuel-poor, which is higher than the national average of one in 10. The Labour party will continue to work towards ending fuel poverty. When in government, we will put energy efficiency back on the agenda. Struggling families need more than warm words from the Government — they need warm homes.

1.42 pm

Caroline Flint (Don Valley) (Lab): It is a pleasure to follow my hon. Friend the Member for Brent Central (Dawn Butler). I congratulate her on the work she has done serving communities and families that are over-reliant on prepayment meters, and it is a welcome change that they will get some help in the months ahead. I would also say that I have a number of people living in the private rented sector in my constituency — I am sure the proportion is far higher in her constituency. It is a big problem for tenants when landlords do not do enough to make sure that the homes they rent out — they often get housing benefit from the state for doing that — are not decent homes with proper energy-efficiency measures. I know that my hon. Friend will carry on working on behalf of her constituents and people elsewhere.

I would like to thank the co-sponsors of the debate, the hon. Member for Weston-super-Mare (John Penrose) and the hon. Member for North Ayrshire and Arran (Patricia Gibson), who helped to secure the support of 50 other hon. and right hon. Members to obtain this important debate.

My thanks also go to the Backbench Business Committee — Parliament’s own “Dragons’ Den” — for agreeing to our application. It was only five minutes before we went in that I realised the meeting was going to be broadcast, so I had to get my act together quickly, but we were clearly successful, and we secured this debate for today.

It is well known to family and friends that I love the movies. [HON. MEMBERS: “Hear, hear!”] Thank you. It is still on my bucket list to be an extra in one—I just put that out there. One of my favourite comedies is “Groundhog Day”, in which the character played by Bill Murray has to replay a single day until he sees the error of his ways. For me, today’s debate feels like “Groundhog Day” because we are reliving the same arguments about our uncompetitive energy market, companies’ poor customer service and ripping-off of customers on standard variable tariffs — points I have made for the past six years. The Ministers keep changing, but I am still here, and I hope that the Minister today, like Bill Murray in the film, will break this spell, because, not for the first time, the headlines have, as hon. Members have mentioned, been full of the eye-watering price increases made recently by four of the big six energy companies — price hikes that are completely unjustified.

However, in many respects, that is not the principal reason for this debate. We sought the debate to address the fact that the energy market is not working; it is failing Britain’s consumers in almost every respect. It does not promote effective competition. The regional giants created after privatisation remain the dominant players in their home regions 30 years later. We talk about the big six, but for many regions, it is the big one.

The energy market also does not promote transparency. In the period following the Thatcher privatisation of British Gas in 1986 and of the regional electricity boards in 1989, there was a succession of mergers and takeovers. That led to companies being, at one and the same time, energy retailers and power generators. Today, the generation and retail arms of these companies remain within pretty much the same corporate structures. One consequence of that is a complete lack of transparency over the price at which these companies sell energy to themselves before retailing to the public. The reforms Labour proposed in 2015 would have resolved that.

The energy market does not promote consumer confidence. The issue is not whether, superficially, one company offers a fixed-price deal for £150 less than another; it is why 88% of consumers still refuse to switch from one supplier to another. The evidence from the CMA survey of 7,000 consumers was clear: 56% had never switched supplier, or did not recall ever switching, and 72% had never switched tariff with an existing supplier. This market is suffering a long-term
Energy Prices

16 MARCH 2017

[Caroline Flint]

The crisis of consumer confidence. While a minority of customers shop around, the vast majority seem to want little or nothing to do with the energy companies. That is not a sign of contentment—of millions of satisfied customers—but quite the opposite. The CMA found that the number of recorded customer complaints rose sixfold from 2008 to 2014. Ofgem’s own research between 2014 and 2016, which was published in September 2016, found that the proportion of domestic complainants who were very dissatisfied with how their complaint was handled increased significantly over that two-year period. The most recent figures showed that 67% of npower customers and 64% of Scottish Power customers were very dissatisfied. Even the medium-sized and smaller companies were not immune—we cannot let them off the hook. First Utility performed worst, with 63% of customers very dissatisfied. The figure for Utility Warehouse was 53%, and for OVO, it was 49%.

The Government preside over a domestic energy market that is not competitive, lacks transparency and has a hell of a lot of dissatisfied consumers. Those factors alone should ring alarm bells in Whitehall and Westminster, but it is the outcome for consumers that ensures that the Government must act. The secrecy, the dominance by a few uncompetitive companies, and the disillusioned, untrusting customer base, which is largely disengaged, all lead to one certain outcome: a consistent failure of the market to offer fair prices. That should be no surprise to any of us. We have regional monopolies—secret and inefficient—low customer engagement and unresponsive pricing. That is why this debate is so important.

I said the UK energy market does not offer fair prices, so let me illustrate that central criticism. First, as my hon. Friend the Member for Hartlepool (Mr Wright) said, the big six energy giants account for 85% of the market, and they treat their long-standing loyal customers, as the hon. Member for Weston-super-Mare pointed out. Those customers, without exception, will pay for energy on the most expensive default tariff. The only customers treated worse are those forced to live in a home that has a prepayment meter, either because the landlord requires it or because they have a poor credit or payment history. In 20 years, this group has grown to around £80 a year, as well as paying in advance for its energy. I therefore welcome, as I said, the decision to provide some price protection by capping the amount an energy company can charge these customers, but that measure does nothing for the remaining majority of customers who are also being overcharged year after year.

What about the overcharging of the majority of mainstream consumers? Even the CMA could not fully explain this overcharging. Its best estimate was that between 2012 and 2015 the average amount overcharged was some £1.5 billion per year, reaching almost £2 billion per year by 2015. The CMA also found that the revenue from standard variable tariff customers was 11% higher for electricity and 15% higher for gas compared with the average revenue for other customers—and this before any of the current price hikes came into effect. The CMA concluded that in any one year the “detriment”, as it describes it—the amount that is overcharged—was made up of about £600 million a year in excess profits, and the remainder, about £850 million, was down to “inefficiencies”, whatever they may be. This points to bad management by some very highly paid individuals.

John Penrose: The right hon. Lady is making a very compelling case, as she did with me in the dragons’ den pitch for this debate. She is absolutely right about the CMA’s figures showing such horrendous levels of customer detriment. Not only that, but the gap between the standard variable price that is being charged and the wholesale price has been getting wider over the past four years, so the situation is bad and getting worse as time goes by.

Caroline Flint: Exactly. We have the historical evidence that month by month people are still paying far too much for their energy bills.

It is absolutely astonishing that this is happening in what is meant to be a competitive market. The overcharging and the excessive profit margin made from standard variable tariff customers clearly provides no encouragement to move those customers on to a better deal. I believe that this is a bankrupt business model. If we are all admitting—even the energy companies have had to face up to this—that people are paying over the odds, then the companies have a business model based on that. If all these customers were miraculously to move to a lower tariff tomorrow, where would the companies be left? The inertia is compounded by a management approach that does not seem to want any form of effective change.

Unfortunately, the more the Government have publicly urged consumers to switch to save, the more the companies are absolved of any responsibility to move customers on to a better deal. A sticky, passive, unengaged customer base appears to suit some of these firms down to the ground. When, back in 2012, EDF automatically moved vulnerable elderly customers on to its cheapest tariff, sadly other suppliers did not follow up with this better practice.

The CMA’s final report concluded that to eliminate overcharging, prices would have to fall across the board by an average of 3% per year between now and 2020. It hoped that its measures to promote switching would create more competition in the market and have a downward effect on prices, but it was reluctant to say exactly how successful it expected that to be. The problem that the CMA faces is that the UK has an energy market with unhappy consumers, a dysfunctional pricing mechanism, and companies that are, I am afraid, largely immune to competitive pressures.

Ofgem has reported that some 3.3 million households switched supplier from January to December 2016. This is apparently the highest level of switching for six years, but it equates to less than 12% of households. I worry that we have a two-tier energy market: an active, informed class of consumer who is energy-conscious, internet-savvy, shopping around and managing their accounts online, and a far bigger, less informed, less engaged, less internet-savvy, discontented majority.

Mr Iain Wright: My right hon. Friend is second to none in her knowledge of energy policy. She may be coming on to this, but I would be interested to get her thoughts on policy fixes. Does she think that the regulator
has the powers but is not using them, or that the Government need to give the regulator more powers to help fix this broken market?

Caroline Flint: The regulator already has powers in its back pocket. It can intervene if it thinks that the market is uncompetitive. It can, if necessary, take customers off a company that is failing and allow them to get a better deal elsewhere from other suppliers. However, we do need Government to take responsibility. Whether we have the relative price cap that the hon. Member for Weston-super-Mare proposes or my suggestion of a protected tariff—if not permanent, then temporary—to fix this market, it is clear that more reform is needed. I wish that the regulator would use its powers; it has been very slow to do so, although it has speeded up in recent years. There is more it could do, but there is more that Government could provide it with to do a better job.

One of the CMA’s proposals is that data on customers should be shared so that other energy suppliers can send their offers to customers. The problem is that people will be bombarded with leaflets and emails from operators in a sector in which their trust is already so low that they may not put any more in this marketing mechanism. These are the very people—immune to direct mail, annoyed by calls from would-be energy suppliers, and mistrustful of the whole industry—who are not being helped by any of the measures put forward since the CMA report.

The CMA believes that by encouraging switching and a shared database for companies to market new tariffs to each other’s customers, price competition can be made to work. However, I am afraid that this shared database seems to be a new label for an old solution. We have had six years of trying to bring a consumer benefit by switching—six years of abject failure. I must therefore ask the Minister whether it is realistic to assume that 28 million households will be able to reduce their average bills by 3% a year, as the CMA suggests, for each year between 2017 and 2020. The CMA believes that if it succeeds in its aim, this steady price fall would eliminate the overcharging—the detriment—but even if it did, it would not repay one penny of the money already unfairly taken from consumers. I see no mechanism in the CMA’s prescription that can achieve even the objective it has set. Adding customers who have remained on a standard default tariff for three years to a huge marketing database for other companies to prey on will not, in itself, make this market more competitive.

In March, Ofgem published the information that January’s cheapest available tariff was 22% cheaper than the average customer’s bill, but did not identify how long that offer lasted or how many customers benefited. However, let us follow its logic. What if the 12% of switchers—some 20 million who pay the default standard variable tariffs and endure their prices going up and down as the energy provider chooses—are left at the mercy of their supplier, which the CMA has already identified as consistently overcharging them. They certainly cannot rely on wholesale prices to save them, because there is no obligation to pass on falls in wholesale prices to consumers—not even in part. Ofgem reported that wholesale gas prices fell by 44% between 2012 and 2016, yet consumers saw their energy bills rise by 7% over the same period. Such a perverse result could happen only in a dysfunctional market. Where do consumers turn to get fairness? The only avenue for the majority of consumers is the Government, who are the one agency with the powers to change the game at a stroke. How long will the public have to wait before the Government finally act as a consumers’ champion?

In 2011, when I became shadow Energy and Climate Change Secretary, I advised the Government that energy bills were soaring, but they did nothing. In October 2011, the then Prime Minister convened an energy summit and proposed to write to millions of consumers about switching, but that did not work. In November 2013, Mr Cameron tried a different approach: “get rid of all the green crap,” a senior source reported him as saying.

As has been touched on in this debate, the big six always like to divert discussion of bills on to green levies, even though investment in renewable energy and low carbon energy is exerting a downward pressure on wholesale prices. It is ironic that domestic consumption of energy, in kilowatt hours, has gone down, but we are paying more in our bills. The former Prime Minister said, “get rid of the green crap”, and he did so. The Government shortly afterwards reduced some of the environmental obligations and network charges and cut bills by between £39 and £50. Unfortunately, that year energy bills rose by an average of £120, so that did not work.

Mr Cameron always ridiculed Labour’s energy price freeze, which was a proposal to cap energy prices for 20 months while the energy market was reformed. Instead, in 2014 he announced the CMA investigation. Its initial findings the following year and its final report in June 2016 entirely vindicated Labour’s concern about unfair energy prices. We now have it on the record from one of the Government’s regulators: Britain’s consumers were ripped off year after year for a period of four years—that we know of. About that there is no dispute. It is an £8 billion scandal, and every month the financial punishment for customers grows.

So what do we want? My plea to the Government is simple. Recognise the scale of the problem. Recognise that switching campaigns, which have now become a gimmick, can only scratch the surface. They will never get to the heart of the problem. Recognise that the industry needs reform, and that until it is reformed, the Government need to introduce price protection for consumers.

I believe that that protection should take the form of a protected tariff, and I first argued for such a tariff after the general election in 2015. Consumers need nothing less than some sort of regulated maximum charge that companies can levy, which is based on
wholesale prices, network costs and an acceptable level of profit. I do not believe that that can be left to the companies. Any voluntary measure is welcome, but the approach has been too piecemeal. We need the Government to act by introducing a protected tariff, which is set by Ofgem. We know that Ofgem is capable of that calculation, because it has just done a similar exercise for 3.5 million prepayment meter customers.

Am I asking for something outlandish? No. Northern Ireland still has price regulation, and a majority of countries in the European Union still have price controls of one sort or another. In the matter of price controls, we are not thwarted by the European Union. We cannot blame either the EU or Brexit for the Government’s failure to address this injustice. The problem lands on the doorstep of No. 10 and the Department for Business, Energy and Industrial Strategy. The Government have the power and the means to end the unfairness in our energy market, or at least to offer a temporary respite, as they have done for prepayment customers, until more substantial reforms can be enacted.

In November the Secretary of State said:

“Customers who are loyal to their energy supplier should be treated well, not taken for a ride. It’s high time the big companies recognised this. I have made clear that this cannot go on and they must treat customers properly or be made to do so.”

I say to the Minister: now is the time. This problem is not going away, and I urge the Government to listen to the voices of Members of all parties who believe that the current energy market does not serve the British people well. Action is long overdue.

2.4 pm

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to follow my right hon. Friend the Member for Don Valley (Caroline Flint), if a little daunting to speak after such a tour de force. As has been said, she is second to none in her knowledge of this issue. I congratulate the hon. Members for Weston-super-Mare (John Penrose) and for North Ayrshire and Arran (Patricia Gibson) on their support in securing this timely debate, which comes in the wake of the most recent excessive price rises by the big six energy companies. It is good to join this cross-party platform to urge the Government to do something to stop those companies ripping their customers off. The companies have been getting away with it for far too long.

My right hon. Friend has campaigned for fair energy prices for the past six years. If dogged determination were enough to secure victory, it would have paid off long before now, but very little has changed during that time, as we have heard. Despite talking big on energy reform, the Government have failed to act where the market is failing. They quietly dropped a promise made by the Prime Minister in 2012 to force companies to switch customers to their lowest tariff; and, despite the rhetoric about cutting the green crap, they failed to ensure that the reductions they made to environmental and other obligations resulted in lower energy bills.

Ofgem’s capping of prices for customers on prepayment meters on the recommendation of the Competition and Markets Authority is welcome, but I agree that we need action for all standard variable tariff customers. In recent weeks, npower and SSE have raised their electricity prices by an eye-watering 15%, and another three of the large companies have increased their bills by nearly 10% on dual fuel standard variable tariffs. That is despite Ofgem saying that it saw no reason for price increases, given that wholesale prices are only just starting to increase from a low base. It has not gone unnoticed that many of those rises have been piled on to electricity, no doubt to ensure that as people start turning their heating off, bills remain high over the summer.

As has been said, it is grotesquely unfair that the current structure penalises the most long-standing and loyal customers, as well as the most vulnerable. The difference between a company’s cheapest tariffs and its SVTs is almost £200, and customers on SVTs pay 11% more for their electricity and 15% more for their gas than customers on other tariffs. In 2015, consumers overpaid by a staggering £2 billion; The Observer estimated that that was the equivalent of a halfpenny rise on income tax. With 70% of big six customers on SVTs, these tariffs are clearly helping to support record profits; the profits of the big six increased tenfold between 2007 and 2013.

As we have heard, rising energy prices are putting a real strain on household budgets and hitting the poorest households, which are far less likely than others to switch, particularly hard. Energy bills now account for 10% of spending in the poorest households, compared with just 5.5% in 2004. Citizens Advice estimates that 2 million low-income families pay £141 extra every year.

I want to talk for a moment about my own constituency and the city of Bristol, which I am proud to represent. We have some of the worst incidence of fuel poverty in England. People always think of Bristol as an affluent place, but, as I am sure the hon. Member for Weston-super-Mare will confirm, the fact that parts of a city or town are thriving does not mean that people in other parts of it are not living in poverty. More than 25,000 people in Bristol—13% of the city—are living in fuel poverty, against a national average of just under 10%. In parts of it are not living in poverty. More than 25,000 people in Bristol—13% of the city—are living in fuel poverty, against a national average of just under 10%. In 2004, 10% of spending in the poorest households, compared with just 5.5% in 2004. Citizens Advice estimates that 2 million low-income families pay £141 extra every year.

For those who suffer from long-term health conditions, living in a cold home can cause considerable suffering and even early death. Last year in my constituency there were 30 excess winter deaths, of which around a third are estimated to have been caused by high bills by cold homes. Over the years, I have heard some shocking stories from constituents. I was contacted a while ago by one woman whose husband was extremely ill. Their cold home was eating—fuel or food—as we have heard. People who self-disconnect or who ration their energy use, as well as their food consumption, to save money. People too often have to choose between heating and eating—fuel or food—as we have heard.

For those who suffer from long-term health conditions, living in a cold home can cause considerable suffering and even early death. Last year in my constituency there were 30 excess winter deaths, of which around a third are estimated to have been caused by high bills by cold homes. Over the years, I have heard some shocking stories from constituents. I was contacted a while ago by one woman whose husband was extremely ill. Their cold home was eating—fuel or food—as we have heard. People who self-disconnect or who ration their energy use, as well as their food consumption, to save money. People too often have to choose between heating and eating—fuel or food—as we have heard.
Other MPs will have in their localities the new breed of municipal energy providers, which provide a very different offer from that of the big six, with fairer rates and cleaner energy. Bristol Energy was set up fairly recently by Bristol City Council. Bristol Energy is a national company, so anyone can switch to it, but there is a special tariff for people with a Bristol postcode. It was set up to help local people, as well as people from outside the city who want to join in, to pay less for their energy and to provide a new way to raise funds for the city, as all the profits will be reinvested back into Bristol. Its standard variable tariff is significantly cheaper than that of the big six—on average, £105 cheaper—and it keeps its fixed deals fair, too. It is currently trialling a warm homes plus tariff, to bring households in Bristol out of fuel poverty. This non-profit-making tariff is only available by referral, and Bristol Energy is working with the citizens advice bureau, the council and Bristol’s Centre for Sustainable Energy on those referrals. It is looking for 1,000 people to put on this tariff to start with, limited to a year, to help lift them out of fuel poverty. As I have said, the profits will be invested back into the city. In the longer term, we want to be really ambitious in tying energy in with the waste sector. I was told on one visit to a waste plant on the outskirts of the city that it is reckoned that Bristol’s waste alone could generate enough energy to heat 250,000 homes. That has absolutely to be the way forward: a local solution to a local problem.

However welcome new entrants such as Bristol Energy are to the energy market, they seem to have had little impact so far in putting pressure on the big six to reduce their prices. Despite better practices by some companies, pushing people to switch or telling them that their prices are to the energy market, they seem to have had little impact so far in putting pressure on the big six to reduce their prices. As I have said, the profits will be invested back into the city. In the longer term, we want to be really ambitious in tying energy in with the waste sector. I was told on one visit to a waste plant on the outskirts of the city that it is reckoned that Bristol’s waste alone could generate enough energy to heat 250,000 homes. That has absolutely to be the way forward: a local solution to a local problem.

Although I believe in competition—because when it works it can result in fairer prices—we have to face the fact that not everyone can and will engage in the market.”

A spokesman for the Department for Business, Energy and Industrial Strategy has said that Ministers are ready to act when the market is failing. Those words are encouraging, but it is absolutely clear that the market is failing for the majority of people. I am not sure when the Department will decide that it is time to act, but if it had not been made before this debate, the case has certainly been made very powerfully on both sides of the Chamber today that the market is failing and it is now time for the Government to act.

Just 15% of households are regular switchers, and 66% of the remainder are customers who have never switched supplier—the so-called stick 66%. As proposed in the motion, we need an approach that keeps open the option of full switching, but ensures the sticky customer does not become disadvantaged by remaining on an uncompetitive tariff. I very much support the proposals from Labour’s Front-Bench team and my right hon. Friend the Member for Don Valley for tariff reform, which is fairer and much more transparent.

Much greater transparency—as a first step, the inclusion of a breakdown of costs behind each of the tariffs, as well as the wholesale energy and transmission costs, and add-ons, including green energy—with an improved annual renewal notice along the lines of motor insurance, would encourage more switching, but I believe we need to go further still. We also need some kind of price controls for those on standard variable tariffs, and I urge the Government to pick up my right hon. Friend’s proposals for capping these tariffs.

My concern is that if we wait for the completion of the consultation on the Green Paper on when the Government should intervene in markets, it is due in the spring—it will be too late to affect energy prices next winter, and people will again suffer from having to pay above the odds with extortionate energy bills. The Observer said in an editorial:

“The government must reinstate price regulation until there is convincing evidence that market forces will provide value for consumers rather than unfairly enriching corporate profits.”

Consumers have been exploited for too long, and it is now time for the Government to act.

2.13 pm

Patricia Gibson (North Ayrshire and Arran) (SNP):
I am delighted to be a co-sponsor of this debate, and I am grateful to the hon. Member for Weston-super-Mare (John Penrose), the right hon. Member for Don Valley (Caroline Flint) and, indeed, the Backbench Business Committee, for enabling it to take place. As has been pointed out—this is one of the disadvantages of speaking so far down the list—this debate is long overdue. Ultimately, it is a debate about how we can empower consumers, as they too often face injustice in relation to energy prices.

We know that average annual domestic gas and electricity bills in Scotland increased by up to 114% and 50% respectively between 2004 and 2015, but the price that consumers pay varies, depending on their method of payment, and the consumer does not always have control over their method of payment. On average, electricity and gas consumers across Scotland using standard credit and prepayment meters face bills that are approximately 10% higher than for those able to use direct debit. The cost of a unit of gas is similar across Scotland and the rest of the British energy market for domestic consumers, but the unit price of electricity differs considerably within Scotland. Consumers in the north of Scotland pay on average between 8% and 9% more per kilowatt-hour of electricity, depending on payment type, than in the rest of Britain.

The big six energy companies supply gas and electricity to over 50 million homes, with a market share of 85% of UK domestic customers. Last year, the Competition and Markets Authority completed a two-year inquiry into the energy market, and the hope is that costs can be driven down by increasing competition between suppliers and helping more customers to switch to better deals. However, as we have heard, there is a problem. The Competition and Markets Authority has found that the "vast majority of people don't switch providers".

and, even worse, that 70% of all big six customers are on the default standard variable tariff, which means that 16 million homes are paying more for their energy than they should. As the hon. Member for Weston-super-Mare pointed out, loyalty is treated as something to be exploited, rather than rewarded. The premium that standard variable tariff consumers pay over those who switch has tended to increase over time. In 2008, it was less than £100 each year, but by mid-2015 it stood at £330, and it currently stands at about £230. In all that time, rates of switching are no higher, so clearly, as the
motion sets out, the way to protect consumers cannot
de be done simply by encouraging them to switch suppliers;
much more is required.

Consumers on standard variable tariffs are much
more likely to be older, disabled, on low incomes,
living in rented accommodation and without internet access.
Those on standard variable tariffs did not see their bills
fall by much when the cost of providing energy dropped
in 2014-15. Such savings as were available were passed
on only to consumers who were active switchers. Not all
consumers can engage in the switching process, so clearly
suppliers need to do more to ensure that these customers
are not trapped in poor deals.

The existing market provides scope for households to
save money on their energy bills by switching, but a low
level of consumer engagement in the market still persists.
Indeed, the Competition and Markets Authority found
in its investigations that one of the main issues is
“a lack of engagement in the markets on the part of many
customers which suppliers are able to exploit by charging high
prices.”

Some 34% of domestic energy customers had never
considered switching supplier, with 56% saying they did
not know if it was possible or did not know if they had
done so in the past. In the context of this debate, I want
to draw attention to one issue of concern. Switching
can take up to 21 days, which is a considerable period.
A consumer thinking about switching may be concerned
or fear that something will go wrong during that extended
period, for which I do not believe there is sufficient
justification.

One result is that energy is becoming increasingly
unaffordable for consumers. Between 2004 and 2014,
average annual domestic gas prices rose by about 125%
in real terms. Significantly, consumers who are engaged
in the market are typically higher income earners who
have access to both a mains gas supply and the internet,
so they can carry out comparison shopping much more
easily, and they can of course pay by direct debit. This is
yet more evidence that the way to protect consumers is
not simply to encourage them to switch suppliers.

Energy efficiency measures are important, as we have
heard. The Scottish Government have done a lot of
work on that, and they are driving down fuel poverty,
although it still remains stubbornly high. Ultimately
and fundamentally, however, we need effective regulation
of the retail energy market, and we need to work
collaboratively with energy suppliers to explore ways of
helping low-income households with their energy bills.
We need a market that works equally well for all energy
consumers, regardless of where they are on the income
scale.

It will be important to monitor closely the widespread
review that Ofgem is currently undertaking of its consumer
regulation framework. Given what we have heard today,
there must be a case for the safeguard tariff—the limit
on the amount prepayment customers are charged—to
be expanded to include consumers on the standard
variable tariff who are eligible for the warm home
discount on a credit meter. It is also important for the
Government to set targets for suppliers to reduce
significantly by 2020 the number of customers on standard
variable tariffs. If suppliers cannot or do not meet these
targets, consideration must be given to broadening the
safeguard tariff to protect other standard variable tariff
customers. I would very much like the Minister to
address these issues today.

Just because consumers, who very often are vulnerable,
are not able to negotiate the process of switching does
not mean they should be left at the mercy of a market
that punishes them for it. Energy is an essential utility
and much more must be done to protect those who are
currently very poorly served and overcharged. I think
we all agree that doing nothing is not an option. I hope
the Minister addresses the concerns that I and others
have raised today, and reassures the House that he is
protecting consumers and putting energy companies on
notice that things cannot and must not continue in the
same way as they have been.

2.21 pm

Judith Cummins (Bradford South) (Lab): It is a pleasure
to follow the hon. Member for North Ayrshire and
Arran (Patricia Gibson).

Bradford is a proud city, but it faces its share of
challenges. Many in Bradford endure poverty despite
being in paid work. In-work poverty is rife. Despite
working long hours week-in, week-out, pay-packets
simply do not meet the basic necessities. One such basic
necessity is how to pay gas and electricity bills when
they drop on to the doormat. To my mind, that is what
today’s debate is all about.

As energy prices soar and wages continue to stagnate,
hard-pressed families and those on low incomes are
faced with desperate choices. What should they pay
first: their rent or their electricity bill? What is more
important: their weekly food shop or their gas bill?
What is better for their family: a warm home or food on
their kitchen table? Without doubt, soaring energy prices
touch every single person in this country, but the poorest
suffer disproportionately.

What is clear is that the wider energy market is in
chaos. For how many hours have coal-fired power stations
provided electricity to the grid this winter? Previously,
coal provided 12 terawatt hours a year. How many
terawatts has coal produced in the last year? Is it not the
case that coal stations produce more emissions on lower
loads? How will the current capacity market mechanism
guarantee new power stations? Is the bid price not too
low? The market is failing consumers and failing to
secure the nation’s energy future.

It is also clear that the energy sector is no longer
operating in the interests of our constituents. All the big
six energy companies—except British Gas, to its credit—
have recently announced price hikes. Competition is
supposed to be there to drive down costs and lower
prices. The big six enjoy a near monopoly position—a
huge 85% market share. When prices are hiked within
days of each other, that is strong evidence the market is
broken. The Government cannot continue to argue that
competition in the energy sector is the key to lower bills.
The big six are failing to get ordinary families and
hard-pressed individuals on to their cheapest tariff. For
20 million households to be stranded on default tariffs is
a scandal. The mantra about helping customers—my
constituents—on to the cheapest tariffs is little more
than spin. Customers could be paying an additional
£230 each year. That is a huge sum when family budgets
are under such pressure.
In Bradford, I am fortunate that my local council is working to tackle fuel poverty, but it cannot control the big six energy companies. That is solely within the gift of the Government. In 2015, Bradford Council adopted a fuel poverty framework for action. This, devised in partnership with the respected National Energy Action, undertook a detailed analysis of the scale of fuel poverty in Bradford. The study discovered that although in recent years homes in Bradford have benefited from some 50,000 energy efficiency measures—from loft insulation to new boilers—one in eight households continue to suffer fuel poverty. That remains the case today.

Bradford is a city blessed with a long and rich history, but its historical and industrial past means that a substantial proportion of its housing is very old. Nearly 40% of the city’s housing stock was built before 1919, which is considerably above the national average of nearly 25%. A further 21% of the city’s housing stock was built between 1919 and 1944. These homes are classified as hard to treat, as they are stone-built or feature irregular constructions. In many other towns and cities throughout the country, a family faced with soaring energy prices might consider improving the energy efficiency of their home—if, of course, they could afford it. In Bradford, however, the prevalence of hard-to-treat homes means energy efficiency schemes are neither quick nor affordable. Measures are complex and expensive. The prospect of a hard-pressed family meeting the expense of a complex scheme is ever more unlikely in light of the Government’s policies.

The plight of families is especially desperate in the private rented sector in Bradford. As families have been priced out of the housing market, many have found themselves in rented accommodation that has seen little investment for many years. The number of households in the private rented sector in Bradford has rocketed from 17,500 households in 2001 to nearly 40,000 in 2015. It now accounts for over 18% of the total housing stock.

I recognise that the Government are taking steps to tackle fuel poverty in the private rented sector. Regrettably, the measures announced by the Government lack ambition. The legal minimum requirement in the private rented sector has been set at “E”. This represents the average rating for the country’s housing stock. An ambitious Government would have set the legal minimum much higher. If the Government had done so, an average family in private rented accommodation could have looked forward to a warmer home and saved hundreds of pounds every year.

The damage wreaked by fuel poverty is not limited to people’s finances. A cold home severely damages the health and wellbeing of my constituents. Evidence proves that living in a cold home aggravates a range of health problems, including circulatory conditions, cardiovascular disease and mental health. In extreme circumstances, living in a cold home leads to premature death during the winter months. To my shock, the rate of premature death in Bradford for the period 2010 to 2013 was over 22%. That is 5% higher than for the Yorkshire and Humber region, and for England as a whole. People are literally paying for fuel poverty with their lives.

This situation must not go on. The Government must take action to tackle fuel poverty. The double whammy of soaring energy costs and cuts to energy efficiency schemes is pushing hard-pressed families in Bradford close to the edge. For many families, the desperate choice is between a warm home and food on the table. That is unacceptable in this day and age.

2.28 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I would like to thank every single hon. Member for their contribution today. In particular, I thank the hon. Member for Weston-super-Mare (John Penrose) for bringing the issue of energy prices and the treatment of consumers to the House, via the Backbench Business Committee.

The big six have a lot to answer for. Rewarding long-term and loyal customers with the highest tariffs is simply appalling. Many of these individuals are elderly, vulnerable or disabled, have learning disabilities or mental health problems and can least afford them. When my own grandmother was transferred to hospital in her 90s, we examined the tariff she was paying for. It was about two times higher than what we were paying. Pensioners have a tight budget and may be frail and very elderly. They rely on heating to prevent pneumonia. How can these companies sleep at night?

There has been a great deal of talk about switching, and why we do not do it more. I hope I am not the only person who has been bamboozled by energy tariffs. I have a doctorate, but I find the system absolutely incomprehensible and the tariffs incomparable. I have tried on a number of occasions to compare day rates, night rates and standard daily charges, but without a PhD in mathematics, it is all but impossible. On two occasions I switched rates to save money, and then found that my bill had increased. I cannot help thinking that the system has been made over-complex for people on purpose.

The hon. Member for Weston-super-Mare has suggested a relative energy cap to help those who are currently being mercilessly ripped off. That proposal is apparently supported by a number of competitor brands, and I urge the Minister to consider it. It may be an interim solution, as has been said, but it will save customers—our constituents—money. Our focus should, indeed must, be on them. The hon. Member for Hartlepool (Mr Wright) mentioned the exorbitant price differential if consumers make the wrong decision, pointing out that the big six often do not act in the interests of customers.

Mr Jim Cunningham (Coventry South) (Lab): Over the years the House has had many debates about the big six, but is it not time for a proper inquiry into how they actually operate? It seems to me that they are a cartel that fixes prices most of the time, and at the end of the day the hon. Lady’s constituents and mine suffer as a result.

Dr Cameron: That is an important point. It has been made clear repeatedly today that many Members feel that there is a monopoly, and that consumers must be put at the heart of energy pricing. The hon. Member for Hartlepool described the difficulties that people have experienced in switching suppliers, and pointed out that, while energy costs have fallen, prices have been hiked. That in itself is an absolute disgrace.

Mention has been made of smart meters, which, although they help individuals to monitor energy usage, appear to place responsibility on consumers, as though
they were using too much, when in fact they are paying too much. Smart meters are not the sole answer, and companies must step up and take responsibility.

My hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil) has asked me to point out that fuel poverty rates in the Western Isles are higher than those in any other local authority area in Scotland. The announcement from SSE that it will increase energy prices by 14.9% is a huge blow to his constituents. What measures will the Government take to address the issues that are being faced exponentially by those in island and rural communities?

The hon. Member for Brent Central (Dawn Butler) said that “just about managing” families were being most affected, and that the Government were not standing up for their rights. She also rightly drew attention to the impact of fuel poverty. In an excellent speech, the right hon. Member for Don Valley (Caroline Flint) discussed the levels of dissatisfaction among customers throughout the United Kingdom, which she said should ring alarm bells for the Government. She emphasised that those who were struggling to pay were paying the most, and that, meanwhile, company profits were increasing. The hon. Member for Bristol East (Kerry McCarthy) spoke of Bristol Energy’s contribution to fair pricing locally, and the level of local fuel poverty. She was right to highlight her constituency concerns.

As for Scottish Government policy, a draft Scottish energy strategy is now open for consultation, and I encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions. The Scottish Government remain committed to putting consumers at the heart of their policy, and to their environmental schemes which support renewable energy and help encourage those who are interested to give their opinions.

Mr Iain Wright: What does my hon. Friend think about the fact that E.ON UK last week justified its dual fuel price increase by saying:

“It is due mainly”—

we should think about that word—

“to the rise in non-energy parts of the bill such as social and environmental schemes which support renewable energy and help customers use less energy”?

Yet today it has announced big rises in profits, primarily owing to lower costs in conjunction with Government-mandated energy efficiency measures. They want to have their cake and eat it.
being able to judge whether such price rises are justified. The transactions that the energy companies undertake in order to trade, to hedge their trading, and to bring the costs of wholesale into the retail market are almost wholly opaque, and they continue to be so.

In addition, as we have heard this afternoon, the persecuted majority get hit all ways; they are hit by the price rises and hit by paying for the most expensive tariffs in the company roster—and in some cases, up to 90% of the customers of those companies are paying for the most expensive tariffs. So not only should we not speak about standard variable tariff customers as if they are an endangered minority, because they are in fact an endangered majority, but we must stop suggesting that it is somehow their fault that they have not switched and as if they are responsible for not switching. If we look at the history that my right hon. Friend the Member for Don Valley pointed out, we see a correlation between the areas from which modern energy companies originated and their sticky customer base. In fact, in a number of instances, a large proportion of those sticky customers were inherited when the companies were privatised and have stayed with them ever since. One might think that that shows admirable loyalty to those companies, and that to treat those customers in the way we have heard about this afternoon is absolutely the wrong thing to do.

Such behaviour produces a huge base of customers that is advantageous to energy companies, not to put too fine a point on it. As the hon. Member for Weston-super-Mare said, those customers will pay more for less year after year, they will not desert the company as a result, and they can be relied on to be milked to the benefit of the company’s finances. That points to the problem with the solution to this issue that the Government and the Competition and Markets Authority have been pursuing, which is sort of to blame those sticky customers for the plight they find themselves in and say, “Well, if only you’d switched, everything would be okay.” Indeed, that idea is at the heart of the recent CMA report on the energy market: “Why don’t all these sticky customers switch? If they don’t, how can we poke and prod them until they do? If we keep prodding and poking them and they still do not switch, we can get other companies in to poke and prod them a bit more and then they might switch.” That is not a satisfactory final remedy, given the scale, the nature and the brokenness of the market.

However, we should not therefore be surprised to read in the principles attached to the provisional remedies that the CMA put forward—the principles on which it operated the recent inquiry—the following statement:

“It is through customers shopping around and making choices between the offerings of rival suppliers that the benefits of competition emerge.”

That is what it thought it was doing through the inquiry.

The CMA has come up with the idea of putting a cap on tariffs for customers on prepaid meters, and I pay tribute to my hon. Friend the Member for Brent Central, who has been instrumental in securing that through her campaigning on the status of those on prepaid meters and the excess sums they were paying. However, although that cap idea is welcome, it does not do very much for the overall issue. We know that those sticky customers are not going to switch in a hurry and that the energy companies know that; we know that there is no evidence that companies are trembling at the thought of their customers switching and are trimming their rises accordingly. As we have heard this afternoon, the evidence from reports is that switching is a substantial occupation for some, but not for most. Switching figures in total often conceal a churn of switching between companies, often ending back in the same place, and multiple switching by a proactive few, but none by most.

So we have almost a perfect storm in our markets. Prices are spiralling. Ofgem said about recent price rises that it did not “see any case for significant price increases where suppliers have bought energy well in advance.”

Customers were stuck in the middle of that spiral, however, and in most instances were paying out on disadvantageous tariffs, to boot. So, in the customers’ interest, we need to get a grip on that problem urgently.

We have heard this afternoon that getting that grip has been promised on a number of occasions. We heard that the Prime Minister suggested that everyone should be put on the lowest tariff. That has disappeared. We heard more recently Ministers saying that companies are in the last-chance saloon and something has to happen, but very little has actually taken place. That is despite the fact that, as Members have mentioned, it is plain that customers have been overcharged for a long period by energy companies, with the CMA itself estimating a sum of almost £2 billion by 2015.

So a regulated price cap within which competition could take place is a good idea. I recognise, however, that a price cap has to be considered within the context of the fact that there will be real pressures on costs. It is true that, on occasions, wholesale markets go up, and the energy companies will have to absorb that through price increases. So a cap that allows that arrangement to take place, but within which work can be done to ensure that competition remains, is a good starting idea, as is the idea that sticky customers should, after a certain period, be taken into protected tariffs, as my right hon. Friend the Member for Don Valley suggested, or on to the lowest tariff that a company offers. That is one way of starting to take action in relation to sticky customers.

I believe that there is rather more to the present dysfunction of the energy market than just the question of sticky customers, however. Ofgem said recently that there was not a case for significant price rises when suppliers had bought energy well in advance. Perhaps we need to deconstruct that sentence. It is not clear whether Ofgem was referring to companies buying wisely in advance or a long time in advance. Either way, the injunction is sound. Long-term buying strategies and smart hedging mean that price rises should not be spiking in the way that they all too often do, but we do not know what companies are actually up to when they are buying.

We do not know what is happening as far as energy company trades are concerned. For example, 95% of trades by wholesale energy companies are over the counter and we cannot see what they consist of. We do not know the extent to which energy companies that are vertically integrated effectively trade with themselves, or the extent to which this reflects fair trade in the market in forward trading. Surely we need to open up the market to full transparency, not just day-ahead but right along the curve, so that we know what is going on
and we can act to prevent the abuses of trading positions that take place to the advantage of companies’ resources but to the disadvantage of customers.

**John Penrose**: I am sure that transparency is a sensible and worthwhile thing to aim for, but does the hon. Gentleman agree that it does not matter terribly much from a consumer’s point of view, because consumers do not care whether their supplier has a good hedging strategy or a bad one? That is up to the supplier to deal with and to manage. Some will get it right and some will get it wrong, but if they get it wrong, it should hit their managers’ bonuses and their shareholders’ returns rather than the price that the consumer eventually pays. We might want to understand this, but we should not seek to use it as a justification for high or low prices. Ultimately we should be tougher on the suppliers than that.

**Dr Whitehead**: Indeed. The hon. Gentleman makes an important point about the relationship of the customer to those transactions. However, with vertical integration, those transactions could cause money that should go to the customer to be siphoned off into different areas as a result of those opaque trades, and that is important to the customer in the long term. That is why we need full transparency in all those market trade arrangements.

**Caroline Flint**: My hon. Friend makes an important point about the vertically integrated nature of these companies. In this dark, dark world of electricity generation and supply, is it not the case that the big six generate energy, sell it to themselves and then sell it on to us? That not only impacts on the fairness of pricing but excludes others, including independent generators and retailers, from coming into the market to put downward pressure on prices.

**Dr Whitehead**: My right hon. Friend’s point is spot on. It demonstrates the need to understand a lot more about how those trades work, who is doing what to whom and, sometimes, who is doing what to themselves. This is a complicated picture, involving trading right up to closure and trading in times of scarcity. There has been a suggestion that traders can pull back on their generation in order to trade when the generation becomes more scarce in order to get more money. The lack of accountability in those companies and the opacity of the system mean that we are badly served in regard to knowing what money goes where and who is benefiting from it, and what is happening to the customer in the end.

We need to open up the market to full transparency but we need to go still further and introduce a pool system of trading, so that all trades into the pool and all trades out of it are conducted transparently and, most importantly, on a level playing field for all suppliers. This works in other European countries—Scandinavia has the Nord Pool, for example—so why can it not work here? That does not mean that companies cannot make money. As Ofgem says, if companies have a good purchasing and hedging strategy, they can make money. What they will not be able to do is pass benefits on to themselves that otherwise ought to go to the customer.

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: Always a pleasure.

**Jesse Norman**: Let that be noted in the record. Thank you, Mr Deputy Speaker.

I congratulate my hon. Friend the Member for Weston-super-Mare (John Penrose) on fighting his way through the dragons of den and, with his colleagues, securing the booty of this debate, which I greatly welcome. Whatever else its effect might be, it sends a powerful signal about the feelings of not only the Members who have spoken so well today but Members up and down the country on the issues that have been described. I will talk about those issues and the policy and will try to weave in my responses to the speeches during the course of my comments.

The Government are firmly focused on getting the best deal for energy consumers and on ensuring that the market works for everyone. We absolutely expect energy companies to treat all their customers fairly. We therefore continue to be concerned about price rises that will hit millions of people already paying more than they need to. It is not acceptable that five of the largest suppliers are increasing their standard variable prices, hitting customers hard in the pocket when they are already paying more than necessary. It must be noted that wholesale prices, which account for about half of an average bill, are still lower than in 2014. This is a moment not for crisis, but for sober reflection.

Prices are not the same as bills. The recent report from the House of Lords Economic Affairs Committee reminded us that electricity bills have risen little over the past 25 years, which is due to insulation, appliance improvement and other things. Prices are not the same as bills, but that is not to say that prices are not important and that price rises are not a matter for concern.
Caroline Flint: It is important that we have a candid, open and honest discussion. The Minister makes a good point about prices versus bills, because the amount of energy that we use has been kept down significantly over the past 10 years. Is he as concerned as I am that the big six might be keeping their tariffs unwelcome high because they are having to compensate for the fact that we are using less energy?

Jesse Norman: It is an interesting suggestion that the changes may have cushioned the effect of price rises in the way the right hon. Lady describes. I thank her for that thought, and I would certainly like to give it some reflection.

John Penrose: Further to the intervention of my co-sponsor, the right hon. Member for Don Valley (Caroline Flint), the point about prices versus bills is an important one. Does the Minister agree that if prices stay unfairly or unnecessarily high, one of the Government’s other main goals of improving overall productivity across the economy—energy bills are a vital and central part of the cost base for most businesses—will be much harder to achieve? We can do more with less if we are more efficient in our energy sector.

Jesse Norman: This is really a debate about retail energy prices. The problems are less marked in many areas of the business market, but it is undoubtedly true that business bills must be kept down as far as possible to encourage productivity. As my hon. Friend knows, the Government have undertaken several steps precisely to achieve that.

Colleagues on both sides of the House have noted that, with suppliers buying their energy up to two years in advance, suppliers should be protected from recent fluctuations in the wholesale energy price. Some suppliers have chosen to act differently by freezing standard variable prices through winter and beyond, which alone shows that price rises are not inevitable. It is a fact that the majority of customers—around 66%—are on standard variable tariffs and continue to pay considerably more than customers on fixed-term deals.

The Competition and Markets Authority highlighted that such customers have been losing out by an estimated £1.4 billion a year—that figure is disputed—over the past few years. There have been persistently high differentials between the cheapest fixed deals and standard variable tariffs. The latest published Ofgem data show the differential to be some £200. There has been good focus today on fuel poverty, as there was the other night, and it is those who can least afford it who are most likely to lose out. Households with low incomes, people with low qualifications, those in the rented sector and those over 65 are more likely to lose out than others. The recent price rises serve only to underline the fact that the majority of consumers are paying more than they need to pay.

What can be done about it? The House widely recognises that, in many markets, effective competition drives down prices, promotes innovation and assists improvement in customer services. The Government have worked hard with Ofgem to try to improve competition. The right hon. Member for Don Valley (Caroline Flint) mentioned “Groundhog Day,” possibly inadvertently casting herself in the role of Andie MacDowell, which is certainly how I see her. It is not fair to say that we are in “Groundhog Day” because there has been some progress. Members rightly point to the fact that there are now more than 50 energy suppliers in the domestic market, up from 13 in 2010, and of course there are potential new entrants, including local authorities, waiting in the wings—we welcome them to the market. Independent suppliers now have more than 18% of the dual-fuel market, up from less than 1% seven years ago.

I was pleased to hear from the hon. Member for Bristol East (Kerry McCarthy), who mentioned Bristol Energy and the social conscience it brings to energy supply, which is typical of a tier of new and wider-ranging suppliers, including not-for-profit suppliers, that have entered the market—there are housing providers, too. Smaller suppliers are leading the way in using smart, pre-pay and other technologies to support customers in finding the best deal using their mobile phone.

We had a good discussion on switching, and it has been rightly noted that an increasing number of households are switching their energy supplier. There were some 7.8 million energy account switches last year, an increase of 28% on the previous year. Switching is putting increasing competitive pressure on the big six—although, as my hon. Friend the Member for Weston-super-Mare noted, there is a great deal of churn—but it is still only 15.8% of gas and electricity customers, so we are a long way from a position where anyone should feel that a large number of people are actively availing themselves of the opportunity to switch, as one might expect in a more competitive market.

For too long, too many customers have been left on poor-value deals. At the end of last year, the Government announced new measures to increase transparency for consumers. I welcome the point the hon. Member for Southampton, Test (Dr Whitehead) made about transparency, and he is right: several studies have found that the markets are less transparent here in many different ways than one might like. An effort was made to begin to crack that and increase transparency for consumers, including through the publication of an energy supplier league table by Ofgem, which was designed to shine a light on the most expensive standard variable tariffs.

We know that some consumers worry that switching supplier may be difficult and time-consuming. This is not just an economic matter; it is also a cultural matter. We must recognise that and not allow purely economic analysis to take over. We are also taking forward proposals to mandate Midata in the energy sector, which should also have an effect. Midata will allow consumers to get hold of their energy data electronically and use them to find the best deal. It will make the switching process quicker, easier and more accurate, and, with luck, it will allow people to switch using tablets and smartphone applications more easily. We are very keen that the benefits of this are not restricted, in any sense, to the tech savvy, but are available to anyone who owns a mobile phone at the very least. We will therefore work with industry, switching companies and consumer groups to ensure that all consumers can access and use their data to switch.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) rightly mentioned the time it takes to switch supplier. All I would say is that it used to take five weeks and the Government are working with Ofgem
[Jesse Norman]

to get it down now to 21 days. Once we have done that, we will work to push it down to where it should be, which is at 24 hours. That will be a major improvement to our system.

There was some discussion about customer service, where some improvement has been made. The latest Ofgem data show that suppliers received more than 3 million fewer customer complaints in 2016 than in 2014, but as there were still 3.5 million complaints that is not saying much and they still have a long way to go. We are working with Ofgem and the ombudsman to identify and fix systemic issues, which damage customer service. As the House will know, an Ofgem review last year resulted in increased communication between Ofgem, the ombudsman and Citizens Advice, an organisation I greatly esteem, as I know many colleagues do. It is working on developing a rating system that will help customers to see at a glance how their energy suppliers are performing.

As Members noted, the CMA had some positive things to report after concluding its two-year energy market investigation. It found that wholesale energy markets and the retail market for larger businesses are working well, but for domestic energy suppliers the report is a wake-up call. It is important to note that the CMA’s report was not unequivocal in every sense, and it has been contested; I note a letter from some senior energy regulators who raised the question of whether it is true to see detriment in the way the CMA has. It is important to acknowledge that fact. However, the CMA’s position was clear: consumers should be able to trust energy companies and to know that they are getting a good deal. The CMA found that a lack of competition meant that about 70% of big six customers remained on their supplier’s most expensive tariff despite the savings they could make by moving to another tariff. We have encouraged, and Ofgem is introducing, a prepayment meter cap, which will protect 4 million households across Britain from the beginning of next month.

We are determined to go further and, as the House will know, we have a consumer Green Paper in prospect, which will examine specific sectors. We will respond sooner rather than later, and separately, to the CMA energy market report. Our Green Paper will examine markets that are not working fairly for consumers. In general, consumers in this country enjoy strong protections and an effective regime which help them get the best deal, but where those markets are not doing their job—where competition is not effective—the Government will look to intervene to improve competition and to strengthen outcomes.

The Green Paper will complement and sit within the Government’s industrial strategy to build on the work to deliver an economy that, as I have described, works for everyone. We announced some proposals in the Budget, including the ending of the cycle of subscription traps, the shortening and simplification of small print, and the introduction of new powers to impose fines on companies that mistreat customers. The Green Paper will provide more detail on those proposals.

Let me round up my speech with a couple of reflections on some of the helpful comments that were made in Members’ speeches. I was intrigued to notice that, according to the hon. Member for Brent Central (Dawn Butler), it is now Labour policy to renationalise the big six companies. I would welcome further clarification on that, together with an explanation of how much it would cost and how it would be funded. That was an interesting contribution.

I very much congratulate and thank my shadow, the hon. Member for Southampton, Test, for recognising the complexity of the problem we face. He is certainly right to focus on transparency. In recognition of that, I assure him and my hon. Friend the Member for Weston-super-Mare that the Government will reflect on such contributions. The Government’s record on intervening in electricity and energy markets is not absolutely unblemished. On several occasions, changes have been made, only for them to have to be unwound because it turned out that they were contrary to competitive pricing or innovation. That is worth recognising.

Caroline Flint: I listened positively to what the Minister said about the Government being prepared to intervene when a market is not working. I remind him that the Confederation of British Industry refers to the energy market as a managed market, because energy is an essential-to-life product; it really is set apart from the products that we discussed earlier, such as toothpaste, that we buy every day. I urge the Minister to stand up for what Governments should do, which is set the framework in which markets operate.

Jesse Norman: The right hon. Lady’s point is well taken. One does not need to have read far into “The Wealth of Nations” to know that markets are most effective not only when they are as deep as possible—when the benefits of specialisation and the division of labour, and therefore value generation, can be realised—but when they are supported by a strong state and a strong system of justice and enforcement. That is absolutely the tone of our approach to the market in this case.

I thank right hon. and hon. Members for a thoughtful and interesting debate that has covered a great deal of ground in a limited time. As the House will know, the Government are acting to make switching easier and quicker. We are rolling out smart meters and we are continuing to help the vulnerable and those in low-income households with their energy bills. The CMA did important work to highlight how much consumers are currently losing out, and we recognise that the recent price rises underline the fact that the majority of consumers are paying more, it appears, than they need to. We believe that current practice is not acceptable, and we will set out proposals to address the issues shortly.

3.12 pm

John Penrose: I repeat my thanks, not only to my co-sponsors, the right hon. Member for Don Valley (Caroline Flint) and the hon. Member for North Ayrshire and Arran (Patricia Gibson), but to everybody else who took part in the debate, which has been full of passion and determination. This issue has been around for far too long and, in spite of the best efforts of successive Governments, it has not got better sufficiently quickly, so there is clearly further to travel.

I am very reassured by the direction of travel that the Minister has just laid out. I particularly welcome his comments about rolling out Midata, as it should solve many of the problems with data access, which are
obstacles to switching. However, it has been around for six years, and we are still waiting for its roll out—it is rather like waiting for Godot. We anticipate and we hope that it will arrive very shortly. It is good to hear that there is fresh impetus and fresh energy behind that move.

Equally, 24-hour switching will help to drive up competition. Right the way across the political spectrum and throughout this debate, there has been recognition that progress towards a properly competitive market in which the big six suppliers feel under pressure to look after their customers has been too slow and needs to move faster. I am very reassured to hear my hon. Friend making that commitment from the Government Benches, and saying that it is not moving fast enough. The clear implication of all the speeches we have heard today is that, politically, his way is clear. When people such as me, a bone dry free marketer, and others from across the political spectrum are willing to look at a relative price cap or other measures—I am talking about the Chairman of the Select Committee and the two Opposition Front-Bench speakers, the hon. Members for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) and for Southampton, Test—we can say quite categorically that this is an idea whose time has come. There is a thirst for action and for movement. Therefore, the Government should be bold and willing to move soon.

Question put and agreed to.

Resolved,
That this House deplores the big six energy firms’ treatment of out-of-contract energy customers on default tariffs; believes immediate action is needed to protect those consumers, and that pushing customers to start switching will not fix the problem sufficiently quickly or completely on its own; and calls on the industry, regulators and the Government to consider solutions which recognise that many people lead busy lives and that switching their energy supplier may not always be a high priority.

ADJOURNMENT
Resolved, That this House do now adjourn.—(Andrew Griffiths.)

3.15 pm
House adjourned.
House of Commons  

Monday 20 March 2017  
The House met at half-past Two o’clock  

PRAYERS  

[Mr Speaker in the Chair]  

Speaker’s Statement  

Mr Speaker: I know that the whole House will want to join me in offering many happy returns to Dame Vera Lynn on her 100th birthday. Dame Vera is a national treasure, but I ask colleagues not to burst into song.

Oral Answers to Questions  

EDUCATION  

The Secretary of State was asked—  

School Funding: Chelmsford  

1. Sir Simon Burns (Chelmsford) (Con): If she will make an assessment of the potential effect of the proposed new national funding formula on schools in Chelmsford.  

[909319]  

The Secretary of State for Education (Justine Greening):  

For Chelmsford, a shift to fairer funding would mean an overall increase in schools funding of 1.9%. We want schools and local areas to receive a consistent and fair share of the schools budget so that they can give every child the opportunity to reach their full potential. These are important reforms, and we must make sure we get them right. We want to hear a wide range of views through our consultation, which closes later this week.

Sir Simon Burns: Does my right hon. Friend accept that it is to be warmly welcomed that 31 out of 35 schools in Chelmsford will get increased funding as a result of the fairer funding programme? Of the four schools that will have modest decreases in funding, two are grammar schools, the funding of which will decrease owing to their relatively low number of pupils. Can anything be done to rectify that problem for two centres of academic excellence?

Justine Greening: My right hon. Friend is right that Chelmsford schools overwhelmingly gain from the shift to fairer funding. Our approach essentially sees money follow the child, with extra money for those pupils with extra needs. In our “Schools that work for everyone” consultation we set out our desire to see grammars take more young people from disadvantaged and lower family income backgrounds. If they do so, selective schools will also be able to benefit financially from that approach.

Mr Speaker: The terms of the Secretary of State’s initial reply to the right hon. Member for Chelmsford (Sir Simon Burns), perfectly properly, went somewhat beyond Chelmsford. I make no criticism of that at all, but it simply widens the field to colleagues who do not represent Chelmsford.

Ms Harriet Harman (Camberwell and Peckham) (Lab): Thanks to increased investment and the work of teachers, other teaching staff, supportive parents and the local community, standards in our schools in Southwark have massively increased, but our schools are not overfunded. Surely it cannot be right that, per pupil, we will see a cut of £1,000 per year as a result of this so-called fair funding formula. It is not fair. Whatever levelling up the Secretary of State needs to do in other parts of the country, she should please go ahead and do so, but do not cut schools funding for the poorest children.

Justine Greening: Our approach will operate consistently for young people and children, wherever they are growing up. We cannot have an accountability system with similar expectations for all schools that ends up funding children differently. I simply reflect to the right hon. and learned Lady that, even after the changes we are making to introduce a fair and consistent funding formula for the first time, London’s schools, because of the many challenges and factors they face, will still receive 30% more than other schools on average.

Heidi Allen (South Cambridgeshire) (Con): I understand that the Secretary of State has an incredibly hard job to do and that money does not grow on trees. When she reviews the consultation findings, however, I urge her to look at the core funding a school needs even to be able to open its doors, because I fear that deprivation has been overweighted in the formula.

Justine Greening: One thing we have seen as a result of launching the second phase consultation is the first properly informed debate on how we should be funding schools and what the relative balance of investment should be for different children with different challenges. The consultation finishes later this week, and I thank the House and colleagues for their engagement with it. We will respond to the points that people have made in due course.

Stephen Timms (East Ham) (Lab): Vera Lynn was a pupil at Brampton Primary School in my constituency and, along with every other school in my constituency, its budget is going to be cut under the Secretary of State’s proposals. Ministers often tell us that the schools budget as a whole is not being cut. Should not that guarantee apply to individual schools such as Brampton Primary School as well as to the system as a whole?

Justine Greening: I pay tribute to Dame Vera Lynn, who has been an iconic and amazing figure. She is a fantastic female role model for many young girls and women growing up in our country.

We need to make sure that, for the first time, our country sees consistent funding for all children, wherever they are growing up. We have seen significant rises in the overall schools budget over the years. Indeed, this
Government have not only protected the overall schools budget in line with inflation but have made sure that the cash amount per pupil is protected, too. That is important, but we now have to make sure that we fund children in our schools fairly, wherever they are.

Kevin Foster (Torbay) (Con): Torbay’s schools have done a great job in teaching pupils despite being among some of the most historically underfunded. Although the figure for Torbay goes up by 2.3% overall, the proposed formula hits the grammar schools quite badly, so will the Secretary of State assure me that we are still seeking a solution for those schools?

Justine Greening: My hon. Friend raises an important point. As I have said, it is important that we reflect the fact that our funding needs to follow children who have additional needs. In particular, we know there is an attainment gap for children from lower-income and more disadvantaged areas and families. We also know that many children will start both primary and secondary school already behind, so we need to give an uplift for those pupils to enable their teachers to help them to catch up. These are important parts of the formula but, as he set out, we need to look carefully at other aspects of it, and we will do so.

Mike Kane (Wythenshawe and Sale East) (Lab): I have to say to the right hon. Member for Chelmsford (Sir Simon Burns) that he is not seeing the wood for the trees. The Minister for School Standards recently wrote to the Chelmsford Weekly News about the uplift of 1.9%, which the Secretary of State mentioned, but there is a denial of the wider picture that £66 million is being withdrawn from funding in Essex overall. Will she explain how Chelmsford County High School for Girls, which is estimated to lose £300,000, will make its cuts?

Justine Greening: I think I have answered the question from my right hon. Friend the Member for Chelmsford (Sir Simon Burns), but the bottom line is that the only budget that would go up under Labour is debt interest, which would lead to fewer teachers and less investment in education, not more.

Maintenance Loans

2. Mr Jim Cunningham (Coventry South) (Lab): What discussions she has had with the Chancellor of the Exchequer on the timetable for the introduction of maintenance loans for students undertaking (a) technical qualifications and (b) distance learning. [909320]

7. Liz McInnes (Heywood and Middleton) (Lab): What discussions she has had with the Chancellor of the Exchequer on the timetable for the introduction of maintenance loans for students undertaking (a) technical qualifications and (b) distance learning. [909325]

The Minister for Apprenticeships and Skills (Robert Halfon): It is essential that we support learners while they study if we are to grow the number of skilled workers that the economy needs. The Government will introduce maintenance loans for learners studying higher-level technical qualifications at level 4 at national colleges and the new institutes of technology from the 2019-20 academic year. Maintenance loans will be available for the first time for both full-time and part-time higher education distance learners in the same year, subject to satisfactory controls being in place.

Mr Cunningham: Does the Minister agree with the Open University that the decision to delay maintenance loans for distance learners will adversely affect disabled students, for whom distance learning is the best option, and those from poorer backgrounds, who need maintenance loans to support them while they study?

Robert Halfon: I thank the hon. Gentleman for his question. I am very supportive of distance learners and the incredible work of the Open University. We want to offer these maintenance loans, but we want to get this right; we have a duty to ensure that we are providing the right value for money for the public and that the right controls are in place.

Liz McInnes: The Chancellor, in his Budget statement, declared a commitment to lifelong learning, yet maintenance loans have been capped as being for those of less than 60 years of age. Given this Government’s apparent determination to raise the retirement age and their appalling treatment of the WASPI—Women Against State Pension Inequality Campaign—women, does the Minister agree with me, and probably with Dame Vera Lynn, that life most definitely does not end at 60?

Robert Halfon: It is this Government who have introduced advanced learner loans; we are going to have maintenance loans for students going to institutes of technology or national colleges, and for future distance learners; and we have just announced an extra £500 million to support further education. This Government are actually backing skills and giving people the funding they need.

James Gray (North Wiltshire) (Con): Britain’s record in engineering and technical training at the moment is deplorable, with our being 16th among OECD countries, so I very much welcome the Minister’s announcement earlier about maintenance grants. Does he agree that the private sector has a role to play? In particular, will he welcome Sir James Dyson’s recent announcement that he intends to open a new technical and engineering college at Hullavington in my constituency, with it being at least partly paid for by giving the students salaries?

Robert Halfon: I could not have put it better myself; my hon. Friend is exactly right, and I congratulate Dyson. What is happening with that company and elsewhere in the country, with the investment the Government are putting into skills—the £500 million extra announced last week, and the £40 million for pilots in lifelong learning and studying—show that we are investing. We are putting our money where our mouth is and building a skills and apprenticeship nation.
2011, why is the Department planning to cut support for distance learners even further, as the Office for Budget Responsibility revealed in section A.22 of its Budget document?

Robert Halfon: I am amazed by the hon. Gentleman's question. I thought he would rise to celebrate the £500 million extra we are spending on further education, the £2.5 billion we will be spending on apprenticeships by 2020, or the £40 million on pilots for lifelong learning. By 2020, there will be more funding for adult education than at any time in England's history. We have a record of which we can be proud; it is time the hon. Gentleman supported us.

Mental Wellbeing

3. Dr Caroline Johnson (Sleaford and North Hykeham) (Con): What steps her Department is taking to encourage the development of resilience in children through curricular and extracurricular activities to promote mental wellbeing.

[909321]

The Minister for Vulnerable Children and Families (Edward Timpson): Good mental health and wellbeing are a priority for the Department, which is why we have funded guidance and lesson plans to support schools in teaching pupils about emotional wellbeing. Our recent plans to make relationships education and relationships and sex education statutory supports that agenda. Pupils can also develop soft skills, including resilience, through activities such as the National Citizen Service and the cadet expansion programme.

Dr Johnson: Young people's mental health is a growing concern. As with physical health, we must look at prevention as well as treatment. Will my hon. Friend the Minister meet me to discuss what more the Department for Education can do to encourage our schools to build resilience in children?

Edward Timpson: My hon. Friend is absolutely right that prevention is vital. We are currently inviting bids to run a trial to provide sound evidence about what works to promote good mental health in schools. Prevention will also be an important focus of the mental health Green Paper that we intend to publish later in the year. I will of course meet my hon. Friend to discuss her question, and I am sure that, once the Green Paper has been published, we'll meet again.

John Woodcock (Barrow and Furness) (Lab/Co-op): Is the Minister aware of the crisis in child mental healthcare in Cumbria? Does he agree that greater investment to equip teachers to help with preventive measures in the classroom is essential if we are to make children's lives better in the longer term and not store up huge problems for the future?

Edward Timpson: I agree with the hon. Gentleman that we need to link schools with mental health services better. One piece of work that is currently under way is on creating single points of contact in schools. We are working with child and adolescent mental health services so that not only can children be referred more quickly to the services they need, but teachers can be trained to spot the signs and deal with them effectively within the school environment. Nevertheless, there is, of course, a lot more work to do.

MRS Anne Main (St Albans) (Con): Parents who have children with autism have told me that they have great difficulty accessing curricular and extracurricular activities. What more can be done to link up CAMHS and schools to ensure that there is a crossover of information so that these conditions can be managed better?

Edward Timpson: As I said in the answer I just gave to the hon. Member for Barrow and Furness (John Woodcock), we are working with NHS England and CAMHS to make sure that they can better support and work alongside schools through a single point of contact, so that they can not only spread knowledge and good practice but make quicker referrals to the more specialist services when necessary. There is a strong commitment from the Government in this area, supported by the Prime Minister, and we intend to make good progress.

Priority School Building Programme 2

4. Robert Neill (Bromley and Chislehurst) (Con): What assessment she has made of the progress of the priority school building programme 2.

[909322]

The Minister for School Standards (Mr Nick Gibb): The £4.4 billion priority school building programme is rebuilding and refurbishing those schools in the very worst condition. There are two phases covering 537 schools. Phase 2, which runs to 2021, sought bids from schools by the deadline of 21 July 2014, and is designed to improve the fabric of specific buildings in 277 schools.

Robert Neill: The Marjorie McClure school in Chislehurst is a special school that deals with young people with some of the most profound and complex disabilities. It is a magnificent school, but every year it has to turn applicants away because it simply does not have the size to cope with the numbers, and neither do the other two special schools in the borough. The school was delighted to be successful in its application, which was announced in 2015, but the first visit from anyone from the Education Funding Agency to the school was only in February of
this year. Will the Minister see what can be done to expedite this particularly special and unique set of circumstances?

Mr Gibb: I pay tribute to my hon. Friend for the way in which he has fought for improvements to the Marjorie McClure school, which was visited by my hon. Friend the Minister for Vulnerable Children and Families. It was successful in its bid, and it is already in the feasibility phase. The Education Funding Agency has started to identify the options available to address the condition of the building, so that we can say that we do know where and we do know when.

Graham Jones (Hyndburn) (Lab): Headteacher Steve Campbell, who runs The Hollins, a fantastic state school with great results in my constituency, has had problems trying to provide better sports facilities. He was supposed to have Better Schools for the Future funding in 2010, but that was pulled. It now seems that there is no hope of the children in this outstanding school getting decent sports facilities. Why is that?

Mr Gibb: There is £420 million available under the healthy schools capital programme. That is all part of £23 billion that we are spending between now and 2020-21 to maintain, rebuild and replace buildings in the worst condition. None of that would be possible if we did not have the strong economy that we have today and that we did not have when the hon. Gentleman’s party was in power.

Robert Jenrick (Newark) (Con): I thank the Government for the new fund that has been made available for capital projects on special schools, £2.5 million of which is coming to Nottinghamshire to help rebuild the Newark Orchard school in my constituency. Will the Government go to greater efforts to publicise that fund so that colleagues and constituents across the country who are worried about special schools in poor condition know that it is there for them?

Mr Gibb: I am grateful to my hon. Friend for his question. This is a £250 million package that was recently announced, and it is part of a capital spending commitment by this Government to ensure that we have the right fabric of schools in our system. Again, that was possible only by our having a strong economy.

Robert Halfon: It is worth noting that 75.7% of those that applied to get on the register have been successful. One hundred and seventy further education colleges got an apprentice. The new register of apprenticeship training providers published last week excludes a significant number of successful training providers, including four in Birmingham, two in Coventry and one in Solihull. Is the Minister not aware that if he goes ahead with that decision, he will essentially be destroying technical education for 16-year-olds in the west midlands?

Mr Philip Hollobone (Kettering) (Con): What message can I give small businesses in Kettering about the incentives given to apprenticeship training providers to link up with small businesses rather than larger ones?

Robert Halfon: The good news is that the taxpayer is spending millions of pounds to incentivise small businesses and providers to take on apprentices; we have a huge communication programme—43,000 small businesses have recently been contacted by the Skills Funding Agency’s “Get In. Go Far” programme—and we have a network of 500 apprenticeship ambassadors. We are doing all we can. It is worth noting that roughly 200,000 small businesses have apprentices.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The new register of apprenticeship training providers published last week excludes a significant number of successful training providers, including four in Birmingham, two in Coventry and one in Solihull. Is the Minister not aware that if he goes ahead with that decision, he will essentially be destroying technical education for 16-year-olds in the west midlands?

Mr Gibb: We have a wealth of advice and guidance for employers and small businesses through the “Employing an apprentice” and “Recruit an apprentice” pages of gov.uk. There is information for employers on all aspects of apprenticeship recruitment. This requires training organisations to post vacancies to be viewed by and applied for by candidates using the find an apprenticeship service.

Amanda Milling: Although they are keen to take on apprentices, I have small businesses in Cannock Chase that are finding it difficult to identify candidates. What are the Government doing to make it easier for small businesses to connect with local colleges and potential apprentices?

Mr Gibb: I pay tribute to my hon. Friend for the way in which he has fought for improvements to the Marjorie McClure school, which was visited by my hon. Friend the Minister for Vulnerable Children and Families. It was successful in its bid, and it is already in the feasibility phase. The Education Funding Agency has started to identify the options available to address the condition of the building, so that we can say that we do know where and we do know when.

Mr Gibb: The hon. Gentleman is right. In March 2015, we published a comprehensive review into how asbestos is managed in schools. In February, the Department for Education published revised guidance on how to manage asbestos in schools, and it is our aim, over time, to eliminate asbestos in schools as schools are replaced or refurbished. In the meantime, schools need to ensure that asbestos-containing materials are undamaged and not in locations where they are vulnerable to damage.

Robert Halfon: The good news is that the taxpayer is spending millions of pounds to incentivise small businesses and providers to have apprenticeships. In addition, we have the huge communications programme that I highlighted earlier.

Jack Dromey (Birmingham, Erdington) (Lab): Employers have “high expectations”, the college has “good standards”, and young people are “ambassadors” for apprenticeships. That is the verdict of Ofsted on Birmingham Metropolitan
College, yet it is one of four colleges in Birmingham—13 in the west midlands—that have been denied access to the apprenticeship levy and will have to cease providing apprenticeships. Does the Minister begin to understand the outrage over this inexplicable decision? Will he meet Birmingham’s MPs, so that we can make further representations to him?

**Robert Halfon:** I am happy to meet MPs from Birmingham and any other area. The crucial aim behind the decision is to improve quality. Getting on the register is a competitive procurement process—everyone had to fulfil the same criteria. It is important to note that, from tomorrow, those that did not get on the register can reapply, so they may yet succeed.

**Selective Secondary Education**

6. **John Glen** (Salisbury) (Con): What steps she is taking to support and expand selective secondary education.

15. **Neil Parish** (Tiverton and Honiton) (Con): What steps her Department is taking to support the expansion of grammar schools.

**The Secretary of State for Education** (Justine Greening): Under our national funding proposals, more money will follow students, particularly to schools that are educating pupils who are disadvantaged and from lower-income families. On the roll of one of the schools my hon. Friend the Member for Salisbury (John Glen) has highlighted, 25% of the young people are on free school meals, whereas the proportion in the other school is less than 1%. That accounts for the majority of the difference.

**John Glen:** May I draw my right hon. Friend’s attention to the grammar schools in my constituency, which face a 3% cut in their funding under the proposed formula, despite a school up the road getting an increase of 11%? Will she examine how, within the absolutely necessary Treasury constraints, such inexplicable outcomes can be avoided? We must be sure that selective schools understand that the Government are fully on their side.

**Justine Greening:** As my hon. Friend points out, I do not get to write my own cheques and I have to live within my departmental budget. We are looking carefully at how to get the fair funding approach right. I agree that we have to make sure that similar children facing similar challenges and with similar needs are consistently funded, wherever in the UK they live, and of course we want to support successful schools.

**Neil Parish:** Colyton Grammar School in my constituency has a great headteacher, wonderful staff and pupils with huge levels of attainment. The school would very much like to expand. How can the Secretary of State help it to expand more than it can at the moment?

**Justine Greening:** To build on my previous point, the consultation, “Schools that work for everyone”, also covered our proposals to allow expanding existing selective schools to be able to offer more choice to parents and our proposals to increase the number of school places at good and outstanding schools. We will make available dedicated funding of up to £50 million a year to support those schools to expand.

**Lucy Powell** (Manchester Central) (Lab/Co-op): When will the Secretary of State publish her much briefed White Paper, given that purdah begins on Thursday? Will that White Paper contain requirements on existing grammar schools to increase the number of free school meal children? Will she clarify to the House why the words “selection” or “grammar” did not pass her lips in her 30-minute opening speech on education in the Budget debate?

**Justine Greening:** The hon. Lady tries to get me to pre-empt my White Paper, which will come out in the coming weeks. I am pleased that Labour Front Benchers are finally engaging in the fact that there is a real chance to ensure that we have an approach to selection that works in the 21st century and for our education system as it is today.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Is the Secretary of State aware that today is International Happiness Day? If she wants to make a lot of people in this country happy, she will renounce this dedication to grammar schools and free schools, and invest in the education of all children up and down the country.

**Justine Greening:** I am delighted that the hon. Gentleman has alerted me to the fact that it is International Happiness Day, but he is completely at odds with his Front Bench. We have no idea what Labour’s approach to selection is. We will be publishing our White Paper in response to our consultation, but I suspect that the Labour party will remain a policy-free zone.

**James Berry** (Kingston and Surbiton) (Con): In the Budget, £320 million was announced for new schools, some of which may be grammar schools. Will my right hon. Friend confirm that new schools are desperately needed and that, although some may be grammar schools, that does not affect the revenue funding that this House has discussed in many questions today?

**Justine Greening:** Indeed, and my hon. Friend is absolutely right. We have to plan ahead. We know that we need to create more good school places for the children coming through our education system. Some school places will be in response to choices at a local level for selective schools, but others will be non-selective school places and places for meeting the needs of local communities.

**Carol Monaghan** (Glasgow North West) (SNP): Under the academies scheme, the teaching profession in England has experienced a sustained attack on its terms and conditions, including salary awards below nationally agreed pay scales. Can the Secretary of State guarantee unequivocally that no teachers in proposed new selective schools will be paid below nationally agreed rates?

**Justine Greening:** We need to ensure that schools have more freedoms to be able to run themselves in a way that means they can deliver strong educational outcomes. I notice that the hon. Lady clearly does not want to talk about the fact that standards in Scotland are going backwards in science, maths and reading.

**Angela Rayner** (Ashton-under-Lyne) (Lab): It is a pleasure to debate with the Secretary of State again, a few weeks after we both appeared on “Question Time”; but now it is answer time. The Prime Minister promised
last week to expand selective education with 70,000 new free school places funded by £320 million in the Budget. Given that free school places cost more than £21,000 each to create, £320 million is not enough for 17,000 places, let alone 70,000. I set the Education Secretary a simple maths question last week, but she did not answer, so it is time for a resit. Just how many places will be created, and at what cost?

Justine Greening: I would have hoped that the hon. Lady welcomed the fact that we announced £500 million extra for school capital, and that is not just for ensuring that we have more places for children who need them. Part of that is £200 million to improve the existing school estate. She asks about the numbers. She seems to have misunderstood that the numbers relate to the amount that is being spent during this Parliament. Of course, there will be further investment in the next Parliament, which I would hope that she welcomed.

Pupils from Disadvantaged Backgrounds

8. Matt Warman (Boston and Skegness) (Con): What steps the Government is taking to increase access to educational opportunities for pupils from disadvantaged backgrounds.

The Minister for Vulnerable Children and Families (Edward Timpson): As I told the House last month, increasing educational opportunity for disadvantaged pupils underpins our commitment to make sure we have a country that works for everyone. Through the pupil premium, worth £2.5 billion this year, we are narrowing the gap between disadvantaged pupils and their peers. In 2016-17, £4.2 million of this funding was allocated to schools in Boston and Skegness.

Matt Warman: I recently hosted Boston and Skegness’s first constituency schools conference, bringing together governors and teachers, and I thank the Secretary of State for her personal involvement in helping with that. However, what I heard at that conference was that, while teachers and governors welcome the extra £4.6 million that is proposed to come to Lincolnshire, they believe we could hear after the consultation closes that the money will be better distributed, so that secondary schools, in particular, will see Lincolnshire’s unique needs addressed. Can the Minister confirm that the consultation will address that?

Edward Timpson: I am sure that the Secretary of State has heard my hon. Friend’s plea, and I am sure that he heard what she said in relation to that matter. However, another change the Government have brought in that will help disadvantaged children, and which should not be forgotten, is around progression measures and making sure the progress of every child counts towards a school’s measured performance. I am sure that will help all pupils in my hon. Friend’s area, as well as across the country.

21. Steve Double (St Austell and Newquay) (Con): Some of our most deprived communities are found in rural and coastal areas. What account is the Department taking of the particular challenges schools face in rural and coastal areas such as those in Cornwall?

Edward Timpson: My hon. Friend will know that part of the consultation is looking at that aspect of our school geography, and the sparsity factor seeks to address it. However, we also have the new opportunity areas, which are looking at parts of the country, including coastal towns, where schools face particular challenges, and we can try to home in on those and spread good practice.

Steve McCabe (Birmingham, Selly Oak) (Lab): How on earth does cutting the funding to 35 schools in my constituency, followed by the news that the business rate revaluation will cost them thousands of pounds more, do anything to help educational opportunity? How does the Minister sleep at night knowing the detrimental effect the Government’s policies will have on the education of children across Birmingham?

Edward Timpson: With an eight-week-old baby, I am not sleeping particularly well at the moment. However, business rates are funded, and a consultation is taking place to try and ensure that the funding we have available for schools, which is at record levels, is distributed as fairly as possible.

19. Lucy Allan (Telford) (Con): What measures will the Minister take to ensure that selective and top-performing secondary schools such as Thomas Telford School in my constituency are accessible to children irrespective of their backgrounds?

Edward Timpson: As part of the consultation, we propose a number of conditions that would make new selective schools more accessible to children from low-income backgrounds. We are analysing all the responses include responses from my hon. Friend’s constituency, and we plan to publish a formal response in the spring.

Dame Rosie Winterton (Doncaster Central) (Lab): May I, through the Minister, thank the Secretary of State for her reply to me regarding the application for a university technical college in Doncaster, which will increase educational opportunities for pupils from
disadvantaged backgrounds? However, will he make sure that other Ministers keep me and other MPs informed about the progress of further discussions? I know we have to get on with this quickly, but will be undertake to do that and perhaps to meet us to discuss the best way forward?

Edward Timpson: I am happy to give that undertaking. We have a new UTC in Crewe that is performing extremely well for pupils wanting to get into engineering. I am sure that pupils in the right hon. Lady’s constituency want to have similar opportunities available to them. Of course we remain open to any further conversations as this progresses.

School Funding Formula

9. Rushanara Ali (Bethnal Green and Bow) (Lab): What assessment she has made of the potential effect of the new national funding formula on the capacity of schools to provide high-quality education for all.

Mr Speaker: Order. I am keen to get through some more questions, but we do need shorter questions and shorter answers.

17. [909336] Ruth Cadbury (Brentford and Isleworth) (Lab): Heads in my constituency have told me that they are already having to cut teachers, teaching assistants, key courses and even school hours, and from Friday’s EPI report we find that there are unlikely to be any schools in England that will avoid per-pupil funding cuts. Does the Minister recognise that the Government are breaking yet another manifesto promise?

Mr Gibb: No; 54% of schools in this country will gain funding under the national funding formula. The hon. Lady will be aware that her local authority, Hounslow, will see overall funding for schools rise from £170.7 million to £171.2 million as a result of the national funding formula.

Caroline Ansell (Eastbourne) (Con): My right hon. Friend will know that I am the only Member of Parliament in England and Wales who can say that every school in their constituency will either hold steady or see a rise. May I thank him for looking at a funding formula that has for too many years disadvantaged some schools? This goes to show how extraordinarily hard it has been for some of our schools to deliver quality education.

Mr Gibb: I am grateful to my hon. Friend for her support for the national funding formula. It is a fair funding formula that gives priority to disadvantage and to low prior attainment. For too long, too many parts of the country have been underfunded, and this will remedy that.

Michael Fabricant (Lichfield) (Con): It might be International Happiness Day, but I can tell my right hon. Friend that parents in Staffordshire are pretty unhappy, actually, because they are in a county that is in the bottom 15 of funding throughout the UK. Fairer funding must not just be open; it needs to be fair, too, and Staffordshire schools are losing out. That is unacceptable.

Mr Gibb: I am sure that my hon. Friend will be making representations through the consultation process. The consultation closes on Wednesday, and we will listen to and read very carefully all the contributions. Funding in his constituency rises by about 1.2%, equal to about £600,000, and 65% of his schools will see an increase.

Several hon. Members rose—
numbers rise—at a time when we seek to continue to tackle the public sector deficit that we inherited from the Labour party.

Mr Speaker: We will have two questions from the hon. Member for Ashton-under-Lyne (Angela Rayner). They need to be extremely brief, otherwise we will just have to move on.

Angela Rayner (Ashton-under-Lyne) (Lab): Earlier, I set the Secretary of State a simple maths question on free schools, but I do not think we had a clear answer. So let me set her one on verbal reasoning. If David promised to protect school spending per pupil and Justine’s new funding formula cuts spending per pupil in more than 9,000 schools, what does that make Theresa?

Mr Gibb: In our manifesto, we said that we would protect school funding in real terms. We have protected school funding in real terms. It is at £40 billion—the highest level on record—and it will rise to £42 billion by 2019-20, as school pupil numbers rise. Given the way in which the Labour party managed our economy in the past and the way in which it intends to do so in future, I do not believe that if the party ever got into power, it would be able to match that level of funding.

Angela Rayner: I do not think I heard an answer about the promise that the Conservative party made. At this rate, the Conservative manifesto will turn out to be the greatest work of fiction since Paul Nuttall last did his CV. We are in favour of fairer funding, but this is not fair and it is not funded, either. Will the Secretary of State finally tell us whether the Conservatives are going to keep the promise made by the last Prime Minister that not one pupil would lose one penny in school funding throughout this Parliament?

Mr Gibb: We made it clear that we would maintain the funding of schools, in real terms, and that is precisely what we are doing. At a time of fiscal constraint, when we have to tackle a £150 billion public sector budget deficit inherited from the Labour party, we have still protected school funding in real terms. At the same time, we are introducing a fairer funding system—something that the Labour party failed to do in all the years that it was in office.

Social Mobility: School/University Students

10. Danny Kinahan (South Antrim) (UUP): What steps she is taking to enhance social mobility for school and university students.

Justine Greening: Indeed; I fully agree. The Higher Education and Research Bill will enable us to do more to widen access and increase the participation of these sorts of students. Of course, the “Schools that work for everyone” consultation document is all about making sure that universities, alongside grammars, faith schools and independent schools, can play a stronger role in lifting attainment for all.

Freedom of Speech: Student Campuses

11. Mr Douglas Carswell (Clacton) (UKIP): If she will make her policy to issue guidance to higher education institutions on ensuring freedom of speech for students on campuses.

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): A broad range of higher education institutions are covered by an existing legal duty under the Education (No. 2) Act 1986 to take “reasonably practicable” steps to secure freedom of speech; and the Higher Education and Research Bill, which is currently in the other place, proposes to extend that to all registered providers. The hon. Gentleman will be interested to know that I have today written to the sector highlighting the importance of this duty, reminding institutions of their responsibilities in this respect and emphasising the importance of action when freedom of speech issues arise.

Mr Carswell: Notwithstanding the obligations under section 43 of the 1986 Act, does the Minister believe that action is needed to safeguard universities as places of free speech and challenging ideas?

Joseph Johnson: Indeed. Policies and codes of practice should not simply be allowed to gather dust; they are crucial to demonstrating to students that free speech should be at the heart of our university system. They need to be meaningful documents that students and staff understand and, crucially, respect.

School Exclusions

12. Norman Lamb (North Norfolk) (LD): What assessment she has made of the adequacy of support provided to children excluded from school.

The Minister for Vulnerable Children and Families (Edward Timpson): There are, of course, duties to ensure that children who are excluded from school have education in place. Although there are some excellent examples of alternative provision across the country, overall outcomes for children who remain in AP are not good enough. That is why our ambition to make schools responsible for commissioning AP and to ensure that they remain accountable for the outcomes of those pupils, including in circumstances in which a pupil has been permanently excluded, is so important.

Norman Lamb: Does the Minister share my horror at the dramatic increase in the number of permanent exclusions in Norfolk—296 in the last academic year,
with 100 students, at the last count, waiting for a place at the short stay school? Given the awful results outcomes for children who are permanently excluded, what message will he send to Norfolk about sorting out this unacceptable situation?

Edward Timpson: Exclusions should always be a last resort, and we need to make sure there are no inappropriate exclusions in Norfolk or anywhere in the country. I am meeting the right hon. Gentleman on another matter, so perhaps we can discuss this at that meeting.

Further Education

13. David Rutley (Macclesfield) (Con): What steps the Government are taking to improve the quality of further education. [909332]

The Minister for Apprenticeships and Skills (Robert Halfon): We are building an apprenticeship and skills nation, and crafting a ladder of opportunity to create widespread provision to meet our skills needs and to help those with social disadvantage. We are spending £80 million on national colleges and £170 million on institute of technology colleges, with extra money for further education.

David Rutley: I welcome the progress that Ministers are making in helping to raise the profile of and standards in technical education. What steps are being taken to help to improve the job prospects of the young people who will benefit from the £500 million investment announced in the Budget?

Robert Halfon: From 2019, students will have a choice of two routes: an academic route, or a state-of-the-art technical route with 15 different routes within it. We are investing in that, as I have said, and we are investing an extra £500 million on top of the existing funds. We are building the skills and apprenticeship nation that our country needs, and we are creating the skills that people and employers need.

18. [909337] Mr Alan Mak (Havant) (Con): High-quality further education, linked to STEM—science, technology, engineering and maths—skills and the needs of employers will help Britain to lead the fourth industrial revolution. Will the Minister join me in welcoming T-levels, which will help our young people to secure the jobs of the future as the workplace evolves?

Robert Halfon: My hon. Friend is exactly right. I congratulate him on the work that he does in this area. T-levels, our technical education reforms, our apprenticeship reforms and our strong backing of further education are exactly what we need to do to create the skills to make sure that people have the jobs and the skills that they need for their futures.

Apprenticeship Places

14. Sir David Amess (Southend West) (Con): What recent representations she has received on the number of available apprenticeship places. [909333]

The Minister for Apprenticeships and Skills (Robert Halfon): Apprenticeships are jobs, and availability is determined by employers offering such opportunities. Our ambition is to reach 3 million apprenticeship starts by 2020, and to support the growth of apprenticeships across different sectors and regions.

Sir David Amess: Will my right hon. Friend join me in congratulating the Central Training Group’s Central Hairdressing Academy in Southend on its support of apprenticeships and its excellent results, and will he reflect on the view that trainers feel that a lot of pressure is put on children to stay on in the sixth form who might benefit from taking an apprenticeship?

Robert Halfon: My hon. Friend is exactly right. I congratulate the hairdressing academy on its support of apprenticeships. We now have 900,000 apprentices—the record highest number ever—and we have 784,000 starts. We are building the apprenticeship nation, and giving those young people a ladder of opportunity.

Topical Questions

T1. [909309] Ruth Cadbury (Brentford and Isleworth) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Education (Justine Greening): The Budget announced a £500 million investment in technical education—it was hailed by the CBI as a “breakthrough Budget for skills”—and on top of that it also provided an additional £500 million for new school places and school refurbishment. That is in addition to our announcements over the past month of £450 million for school sports facilities and of a £250 million fund to help schools to support students with disabilities properly.

I am delighted to say that we are taking forward amendments to the Children and Social Work Bill, enabling us to put age-appropriate relationship and sex education in secondary schools and relationship education in primary schools on a statutory footing. I want to thank the House for its support in enabling us to do that.

Ruth Cadbury: A simple yes or no will suffice: does the Education Secretary agree with the International Trade Secretary who said when he was in front of the Lords International Relations Committee, and with the Chancellor and the Foreign Secretary, that students should not be included in official immigration statistics?

Justine Greening: I think the important thing is actually that we remain an open country for international students, because that is one of the best ways in which we can ensure that our university sector stays world class.

Several hon. Members rose—

Mr Speaker: I have been advised—as I could have seen with my own eyes, but I must admit that I had not—that the hon. Member for Romford (Andrew Rosindell) is not in the Chamber. Fortunately, the hon. Member for Gillingham and Rainham (Rehman Chishti) is here, so we will hear him.
The Minister for School Standards (Mr Nick Gibb): I am happy to join my hon. Friend in commending schools that teach subjects well, such as Rainham School for Girls. Good-quality teaching is vital to encouraging more students to study STEM subjects. We are spending up to £67 million over this Parliament to recruit and train more maths and physics teachers, and we are funding programmes, such as the Stimulating Physics Network, which seek to improve the engagement of girls.

Carol Monaghan (Glasgow North West) (SNP): I have no doubt that the Secretary of State is well aware of the importance of EU nationals to the higher education community, but we now have an urgent situation whereby some world-class researchers are leaving the UK and others are failing to take up positions in the first place. Will she act now by giving clear unilateral guarantees to those EU nationals that they can remain here post-Brexit, and in doing so reduce the damage currently being caused by Brexit?

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The Government have been clear on many occasions that they value greatly the contribution that EU nationals make to our higher education institutions and our research establishments. We want to be able to settle their position as soon as we practically can, subject to similar reciprocal steps being put in place for UK nationals overseas.

T6. [909314] Maggie Throup (Erewash) (Con): Will my right hon. Friend outline what steps she is taking to ensure that schools have structured educational plans in place to provide appropriate levels of additional support for children with special educational needs such as attention deficit hyperactivity disorder?

The Minister for Vulnerable Children and Families (Edward Timpson): The 0 to 25 years special educational needs and disability code of practice sets out that SEN support should follow a cycle referred to as “assess plan do review” to enable schools systematically to assess individual needs, plan support, put support in place and review progress. The code of practice is on a statutory footing and all schools have to take account of it.

Mrs Emma Lewell-Buck (South Shields) (Lab): Can the Secretary of State explain her U-turn in signing Labour’s amendments to scrap her own innovation clauses in the Children and Social Work Bill? Since her Minister and chief social worker were the key protagonists of those strongly opposed and dangerous clauses, will she explain how she can possibly remain confident in their ability to protect our most vulnerable children?

Edward Timpson: I am very pleased to see the hon. Lady back in her place. I know she has not been able to be here for some time. It is very simple: we were unable to build the consensus required to take forward the power to innovate. I remain absolutely committed to innovation and would welcome local authorities’ plans for how they can improve outcomes for children by redesigning their services and improving their outcomes in the process.

T7. [909315] Ben Howlett (Bath) (Con): Has the excellent Bath Trauma Recovery Centre received any adoption support funding to support the recovery of children from trauma they may have experienced? What work is the Government doing to improve the data capture of trauma to target resources better to support their work?

Edward Timpson: I can confirm that the Trauma Recovery Centre has so far received adoption support funding to support 16 children in 11 families. I pay tribute to their important work. They are among 17,000 families who have benefited from the new adoption support fund created by the Government. I will look at the other issue raised by my hon. Friend and perhaps talk to him about it outside the House.

The Minister for Apprenticeships and Skills (Robert Halfon): By 2020, we will be spending £2.5 billion on apprenticeships, much of that raised through the levy. By 2020, it will be spent wherever our apprentices are needed.

T8. [909316] Andrew Stephenson (Pendle) (Con): Earlier this month, six Pendle schools announced plans to work together to launch their own academy trust. Why did the Minister not strongly encourage those schools to collaborate?

Edward Timpson: I see the power of collaboration in driving up standards. The regional schools commissioner is now supporting the Pennine Trust to harness the potential of those schools. I wish the project well.

Justine Greening: It is good news that those schools have recognised the potential of forming a multi-academy trust to drive school improvement. Schools are really seeing the power of collaboration in driving up standards. The regional schools commissioner is now supporting the Pennine Trust to harness the potential of those schools. I wish the project well.

Dr Philippa Whitford (Central Ayrshire) (SNP): The EU is the largest research network in the world, facilitating big science, such as the work between Glasgow University and the Max Planck Institute in Germany on gravitational waves. How will the Secretary of State maintain freedom of movement, so crucial to academic collaboration, after Brexit?

Joseph Johnson: The Prime Minister was clear in her Lancaster House speech that European research collaboration remains an extremely important objective for our Brexit negotiations. We have said on a number of occasions that we value the contribution that EU nationals make to our scientific and research endeavour.
Tom Pursglove (Corby) (Con): On Friday, I visited Oundle school in my constituency, which makes a huge contribution to the wider community. What role does my right hon. Friend see leading independent schools playing in helping to enhance educational opportunities in their localities?

Justine Greening: We believe that they can play a significant role. As part of the “Schools that work for everyone” consultation, we have had excellent discussions with the independent schools sector, and we look forward to bringing those to a conclusion.

T9  [909317] Stephen Timms (East Ham) (Lab): Research shows that when a pupil joins a school at a different time from all the others, the cost is between £250 and £600. I welcome the inclusion of the mobility factor in the new formula, but putting a 0.1% weighting on it means that the amount per move will be less than £70. Will the longer-term formula take a more realistic view of the costs of mobility to schools?

Justine Greening: The right hon. Gentleman is right to highlight this issue. In fact, it was the additional factor that we put into the working formula on which we are now consulting that was not in the original phase 1 consultation. There is £23 million against that, but I have no doubt that the right hon. Gentleman will have put in his own consultation response, for which we would be grateful.

Mr Stewart Jackson (Peterborough) (Con): As the Minister for School Standards, my right hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), will know, because he has visited the area a number of times, Peterborough is not only one of the fastest growing local educational authorities for student numbers, but seven in 10 of my constituents’ children in the primary sector have English as an additional language. On that basis, will the Secretary of State bear in mind in looking at future funding formulae that EAL is an incredibly important issue?

Justine Greening: I agree. That is part of our fair funding formula on which we are finishing consultation this week; it sits alongside additional funding for children with low prior attainment. We have to make sure that we enable all our children to catch up if that is what they need to do.

T10  [909318] Alex Cunningham (Stockton North) (Lab): Action for Children is concerned that half the children from disadvantaged backgrounds arrive at school not ready to get the most out of the classroom environment. What is the Secretary of State doing to improve early years development in the home to make sure that every child is ready to learn on their first day?

The Parliamentary Under-Secretary of State for Women and Equalities (Caroline Dinenage): I eventually get to say something! The home learning environment is fundamental to early years development. This Government are investing over £6 billion a year in early years by 2020—more than any Government have ever spent before—and we will look very closely at how to improve the home learning environment.

Daniel Zeichner (Cambridge) (Lab): I draw the Secretary of State’s attention to recent research by the business-led Cambridge Ahead into teacher shortages in Cambridge. Given the structural problems identified, will the Secretary of State meet Cambridge Ahead and Cambridgeshire MPs to discuss this?

Mr Gibb: I would be happy to meet the hon. Gentleman and the headteachers he has in mind.

Greg Mulholland (Leeds North West) (LD): It is deeply shocking that in the 21st century, some girls, including in Leeds, are not going to school because they cannot afford sanitary products. Will the Secretary of State eliminate the problem by introducing free sanitary products for all girls receiving free school meals?

Justine Greening: The hon. Gentleman raises an important issue. I shall look at it carefully and write to him about it.

Paula Sherriff (Dewsbury) (Lab): In Dewsbury, 50 out of 50 schools will lose funding and not one will gain—the second highest number of schools facing cuts in any constituency. Thornhill academy, which many will remember from “Educating Yorkshire”, is set to lose more than half a million pounds, which equates to nearly £700 per pupil. What can the Minister say to local parents who believed her promise that funding would be protected?

Justine Greening: We have protected the core schools budget, which will have risen by 2019-20 from £40 billion a year to £42 billion a year. All schools will benefit from that. The point of the fair funding is that we can no longer accept a country in which different children have different amounts of funding going into their education just because of where they are growing up.

Fiona Mactaggart (Slough) (Lab): The problem with the way in which the Secretary of State and the Minister of State describe the so-called fair funding formula is that they imply that it provides an amount of money per pupil. In places such as Peterborough and Slough, however, where pupil numbers are increasing fast, we have to educate children for free, because no money arrives for those pupils until a year and a half later. What is the right hon. Lady doing to make sure that in places where the population is growing, schools actually get funding per pupil?

Justine Greening: Two elements of the proposed fair funding formula can help in this regard. One relates to mobility, about which a question was asked earlier, and will involve children moving in-year. The second relates to demographic growth, to which the right hon. Lady referred, and will ensure that we can respond faster to enable local authorities and schools to cope.

Maria Eagle (Garston and Halewood) (Lab): In Knowsley metropolitan borough, part of which is in my constituency, there will be no academic A-level provision later this year. What is the Secretary of State doing to ensure that many of the young people who live in Halewood can aspire, and afford, to take A-levels? At present they have to travel so far, and they have no money to do so.

Mr Gibb: As the hon. Lady will know, because we have had meetings to discuss this very issue fairly recently, we are working with the regional schools commissioner to ensure that there will be provision in Knowsley for those who want to study for A-levels without having to leave the borough.
Advisory Committee on Business Appointments/Ministerial Code

Mr Speaker: Before I call the hon. Member for Denton and Reddish (Andrew Gwynne) to ask his urgent question, let me emphasise to the House that the question relates to issues highlighted by the appointment of the right hon. Member for Tatton (Mr Osborne) to the editorship of the Evening Standard for the operation of the Advisory Committee on Business Appointments and the ministerial code. It is not, repeat not, about the conduct of the right hon. Gentleman, and I will not countenance supplementary questions which are critical of his conduct. As the House will be aware, criticisms of the conduct of right hon. and hon. Members may be made only on substantive motions.

3.36 pm

Andrew Gwynne (Denton and Reddish) (Lab) (Urgent Question): To ask the Prime Minister if she will make a statement on the operation of the Advisory Committee on Business Appointments and the ministerial code in the light of the appointment of the right hon. Member for Tatton (Mr Osborne) to the editorship of the Evening Standard.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): I am very grateful indeed to the hon. Member for Denton and Reddish (Andrew Gwynne) for bringing this matter to the attention of the House. Let me take the opportunity to set out the Government’s position.

The ministerial code requires that former Ministers must seek advice from the independent Advisory Committee on Business Appointments about any appointments or employment that they wish to take up within two years of leaving office. My right hon. Friend, the Member for Tatton (Mr Osborne) left his role in the Government in July last year. Information on advice given to him regarding previous appointments has been published on the committee’s website.

I understand that the application for the particular role mentioned by the hon. Gentleman, at the Evening Standard, was received by the committee on 13 March and is currently being considered. When the committee has fully considered the application, it will convey its advice directly to my right hon. Friend, and that advice will be made public on its website. Until the advice is made public, this is a confidential process between the committee and my right hon. Friend, although it is no doubt a matter of significant interest to the House.

Andrew Gwynne: Thank you for granting the urgent question, Mr Speaker. I will seek to adhere to your wish for me not to refer to a particular right hon. or hon. Member, but to deal with the underlying issue.

As we saw in the media over the weekend, this is a matter of great concern. My question was addressed to the Prime Minister, and not—with respect—to the Minister. I appreciate his commitment to ensuring that more is done in future to prevent a repeat of the most recent incident, but many Members on both sides of the House are likely to treat such comments with scepticism.

The current rules relating to business appointments were established to counter suspicion that the decisions and statements of serving Ministers might be influenced by a hope for future rewards in the form of a job offer or other monetary gains. Disregarding those rules deeply undermines public trust in the democratic process, in the work of a Member of Parliament, and in the House itself. It does a disservice to those Members who respect the trust placed in them by their constituents, who spend every hour of their day fighting for their constituents’ interests, and who ensure that proper attention to the representative role of an MP is given, as a vocation to public service should require.

In 2012, an inquiry into the Advisory Committee on Business Appointments suggested that it should be replaced by a new conflicts of interest and ethics commissioner, but the Government provided assurances that the current system and the ministerial code was robust enough to prevent behaviour or actions that might at worst bring this House into disrepute, or further the tragic low standing this profession is sadly held in. Yet I am forced here today to ask the Government again how they will address another case and to ask them to give assurances that the current system has not provided yet another opportunity for a conflict of interest to be exploited. To hold one outside interest is perhaps defensible, but to hold several time-consuming outside commitments that have a deep overlap with the political role of what is supposed to be a full-time commitment as a Member of this House is impossible to defend.

Will the Minister confirm what action the Government intend to take against ex-Ministers who appear to be in breach of the ministerial code on their failure to seek advice from ACObA before accepting an appointment? Will he reconsider his Government’s response to the 2012 review into ACObA and provide a stronger system that is able to command the confidence of this House and the public, because it is what we deserve?

Ben Gummer: I have to say that I can see why the hon. Gentleman took this excuse to drag himself away from the shadow Cabinet awayday. I know he will be missing it with every cell in his body, and that is why I will give him a short answer so that he can return as quickly as possible.

As the hon. Gentleman rightly said, much has already been done in this important area. The Prime Minister revised the ministerial code when she took office. It is a matter of high concern to her, and that is why, appended to the ministerial code for the first time, is advice to Ministers on leaving office to seek the advice and assurances, or approbation—or indeed censure—of the independent Advisory Committee on Business Appointments, or ACObA.

The important thing to say about that process is that it is independent. I hope the hon. Gentleman will not mind, therefore, if I do not make any comment about this particular case, because ACObA is considering it and it would be wrong for me to prejudice its decision by saying, one way or another, what my view or the Government’s view was—not that we have a view until we have received the independent advice from the independent committee.

The hon. Gentleman makes a broader point about employment outside this House and about outside interests. He will know that his colleagues and Conservative
Members who sit on the Committee on Standards in Public Life will be looking at this matter again. It is of ongoing concern to the public, and has been for many years, and it is something that the House will have to grapple with in the years ahead. That is why I welcome the Committee looking at it again, and no doubt this will return to the House later.

The hon. Gentleman also makes a wider point about vocation, and I would like to address that directly, as it is very important. In my experience—I am sure in his as well—almost all Members on both sides of this House, no matter whether they are in opposition or on the Government Benches, come to this place because they believe in public service. That should inform their decisions not just about their own interests, but about the wider interests of democracy and the representative system. I am sure that all Members will, in the way they deport themselves in this discussion today, bear that in mind.

Mr George Osborne (Tatton) (Con): When I heard that this urgent question had been granted, I thought it was important to be here—although unfortunately we have missed the deadline for the Evening Standard. In my view, this Parliament is enhanced when we have people of different experience taking part in our robust debates and when people who have held senior ministerial office continue to contribute to the decisions we have to make. I will listen to what my colleagues have to say; I am interested to hear it.

Ben Gummer: I am not sure that there is much more that I could, or should, add to my right hon. Friend’s comments.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): On International Happiness Day, we can see some people who are pretty happy, but it strikes me that we have heard it all when we get a Minister standing up to give a response to a perfectly reasonable, sensible question and making a joke about it, and when the right hon. Member for Tatton (Mr Osborne) thinks that this is merely a matter of amusement. Well, they cannot get away with treating this House and the people as a load of gowks, as we would say in Scotland. This is a disgraceful shambles, and we need to know what the Government are going to do about it.

Ben Gummer: This morning, as on all mornings, I had the pleasure of reading the First Minister’s column in the Daily Record, and all I would say to the hon. Gentleman is that there is a tradition in this House of contributing to newspapers—[Interruption.] And elsewhere, even in the Assembly in Holyrood. It is important to remember that, as the Speaker has said, this is not about the particulars but about the generality of whether Members should have interests or employment outside this House. That is why I am glad that the Committee is looking at this in detail, and Members across the House will no doubt wish to consider its recommendations in due course.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I draw the House’s attention to my entry in the Register of Members’ Financial Interests. The Minister will be aware that the Advisory Committee on Business Appointments, which is an advisory non-departmental public body sponsored by the Cabinet Office, is within the remit of the Public Administration and Constitutional Affairs Committee, of which I am a member. The Chairman and other members of the Committee are currently abroad. PACAC is conducting an inquiry into the role of ACOBA which remains open; we have not yet reported. Our inquiry will therefore take into account these new developments and we are considering what further evidence to take. Does the Minister agree that it is important for the relevant Committees of this House to be able to carry out their remit in a properly constituted fashion and make recommendations based on evidence?

Ben Gummer: I completely agree with my right hon. Friend. She is right to remind the House that PACAC is undertaking such an inquiry, and we will look on it with interest. The Minister for the constitution, the Parliamentary Secretary, Cabinet Office has already contributed to it, and he will make further contributions, should the inquiry so wish.

Dame Rosie Winterton (Doncaster Central) (Lab): May I return the Minister to the question of the ministerial code? Does he think that there is any need for reform of the code or for its enforcement? If so, what should be the mechanism for achieving that?

Ben Gummer: The ministerial code determines how Ministers should behave—that is, serving Ministers. It does not have a direct impact on ex-Ministers, for reasons that the right hon. Lady will understand. It does, however, advise ex-Ministers about their responsibilities, should they leave their position, and it has been toughened up in that respect in the past few months, before this current discussion happened. It is important that ACOBA should give its recommendations before we move on to consider broader matters of reform, because the questions that are being put at the moment are predicated on an answer that I would not like to predetermined.

Mr Andrew Mitchell (Sutton Coldfield) (Con): I draw the House’s attention to my entry in the Register of Members’ Financial Interests. In considering such matters, is it not extremely important that the House always seeks to attract the widest possible cross-section of people, including retaining the services of those who have held high office? Is it not also a matter of regret that, for the first time in my 30 years on and off in this House, there is no former Prime Minister in either of the two Houses of Parliament?

Ben Gummer: That is the view that this House has traditionally taken. It is not a matter for the Government; it is for this House to make a decision in the long term about the balance that it wants to have. Traditionally, this House has determined that it is right for Members of Parliament to have the opportunity of a wider hinterland. That may change—it is not for me to say—but it is important that, whatever the particularities at this juncture, the situation is judged within that context.

Helen Goodman (Bishop Auckland) (Lab): In 1523, Cardinal Wolsey become the Bishop of Durham. He never visited his diocese. What steps is the Minister taking to ensure that hon. Members do not start behaving like medieval clerics instead of modern politicians?
Ben Gummer: Thomas Wolsey was a proud boy of Ipswich and was proud to go back as often as he could, so I have no complaints about him. I cannot speak for his parishioners, but I can say that it will be for all our constituents to judge in 2020 the means and the manner of how we have discharged our responsibilities. It is for us to go individually to the electorate at that point and to put ourselves up for re-election on that basis.

Sir Oliver Letwin (West Dorset) (Con): Is my right hon. Friend aware of whether the Cabinet Office received any representations from Her Majesty’s Opposition during the six years to July 2016 about the incompatibility of the role of Chancellor of the Exchequer with being a Member of this House, on the grounds that it was too onerous a post to combine with that of being an MP?

Ben Gummer: I endeavour in everything I do to be as assiduous as my predecessor in my ministerial responsibilities, but I have as yet not been able to uncover anything of the kind that my right hon. Friend suggests.

Greg Mulholland (Leeds North West) (LD): In the context of potential overspending in key marginal seats and concerns about the appointments of MPs with safe seats, does this situation not show the stark difference between parties’ and candidates’ approaches to marginal and safe seats? There is a real problem of representation and an issue with the first-past-the-post system.

Ben Gummer: That is a niche interest for the Liberal Democrats, all of whom have marginal seats. What I find extraordinary about that question is that there are Members on both sides of the House with safe seats who are incredibly assiduous in how they attend to their constituents—Opposition Members whom I am looking at now and Government Members behind me—and it is wrong for the hon. Gentleman to cast aspersions on them.

Michael Gove (Surrey Heath) (Con): I commend the Minister for his judicious handling of this question. I underline the importance to us all of respecting constitutional principles. Is it not the case that ACOBA is an independent body? Its independence needs to be respected. Is it not the case that we believe in a free press and that proprietors should therefore have the right to appoint whom they believe is right to be editor, without the Executive or anyone else interfering in that decision? Is it not also the case that whoever represents a constituency—Opposition Members whom I am looking at now and Government Members behind me—should be up to its voters, not for the Opposition or anyone else to decree?

Ben Gummer: My right hon. Friend, as ever, is good at making clear the liberties that underpin our democracy and that we too often forget.

Mr David Winnick (Walsall North) (Lab): Those of us who were here at the time remember how difficult it was to restore the reputation of this House after the expenses scandal. Is there not a wider issue here about how the public look upon what they describe as the political class and about the feeling, justified or otherwise, that we are all greedy, on the make, and so on? We have to be careful that we are not tarred with the same brush.

Ben Gummer: I imagine that the hon. Member was in this House when Dick Crossman went to edit the New Statesman, and that was when people read the New Statesman. The hon. Gentleman will know of previous examples of when such things have happened. It is important that we judge this situation in the context of whether we think that Members of Parliament should have employment outside. There are arguments on both sides, and it is important that we do not reduce this to an ad hominem attack, which would create very bad policy.

Anna Soubry (Broxtowe) (Con): I gently say to the hon. Member for Denton and Reddish (Andrew Gwynne) that it has never been suggested that, during the five or six weeks when he was in Copeland as the Labour party’s campaign organiser, he abandoned or did anything wrong by his constituents.

Members of all parties on both sides of the House work extremely hard, especially when they have the ultimate second job as a Minister, Secretary of State, Chancellor of the Exchequer or, of course, Prime Minister. Does my right hon. Friend agree that anybody who does any other work in addition to their duties as a Member of Parliament actually brings a huge amount of experience into this Chamber, and that that makes all of us represent everyone in this country even better? Does he also agree that the ultimate judges are our constituents, who can boot us out through the ballot box if they do not like what we do?

Ben Gummer: My right hon. Friend is right that our constituents are the ultimate judges of our behaviour and performance. There are very strong arguments for allowing people to have outside interests, and there are also strong arguments against. Those arguments need to be reconciled with more time and thought than is possible during consideration of an urgent question. I repeat my earlier point that when we make such decisions we all have a duty not just to our own interests but to the wider reputation of our democracy. We have that duty in everything that we do, whatever post we hold in government or in Parliament.

Wes Streeting (Ilford North) (Lab): At the risk of upsetting the new editor of my city’s newspaper, may I point out that there is an air of complete unreality around some of this afternoon’s exchanges. The public’s trust in both politicians and the media has never been so low, so what does it do to that trust if there is the idea that politicians can have a number of roles, including editing a newspaper? In an era of fake news, what does it do for the reputation of the media to have someone editing a newspaper who has no qualifications to do so? My hon. Friend the Member for Kingston upon Hull North (Diana Johnson) asked about apprenticeship funding during Question Time. As a London MP, I want apprenticeship funding in London, as would the editor of my local newspaper, but what would the right hon. Member for Tatton (Mr Osborne) think?

Mr Speaker: Order. We cannot ask Ministers to speculate about what individual hon. or right hon. Members might think.

Wes Streeting: That is the conflict right there.
Mr Speaker: Order. Whatever the conflict may be, I am the determinant of what is an orderly question. I ask the hon. Gentleman graciously to accept that I am trying to do the right thing in balancing different considerations, but we must adhere to order. The Minister is a dextrous fellow, and he will answer in a way that is orderly—I know he will not answer in a way that is not.

Ben Gummer: The hon. Member for Ilford North (Wes Streeting) is incisive in how he asks his question. I agree that we all obviously have a challenge in raising the reputation of our democratic institutions and the people who serve in them. That would not be served by a Minister of the Crown coming to the Dispatch Box on a Monday, following an announcement the previous Friday, to set out a new policy just to suit the particular agenda of the day. It is for the House to have a wide consideration of whether it thinks that it is right or wrong for people to have outside interests—I think that there are arguments on both sides. In the meantime, we all need to consider our individual duties to the wider body politic in the way in which we behave.

Sir Desmond Swayne (New Forest West) (Con): The Minister has a justified reputation for his devoted and assiduous work on his ministerial duties. Has that in any way diminished his ability to serve his constituents?

Ben Gummer: It has not in any way at all.

Ian C. Lucas (Wrexham) (Lab): Will the Minister please refer to the advisory committee the dilemma that exists when a former Minister is given a particular appointment on the basis of his geographical location, but subsequently secures a further appointment that flatly contradicts the interest that he was meant to serve in that previous appointment? Can the editor of the London Evening Standard look after the northern powerhouse?

Ben Gummer: It is not for me to make that determination; it is for the independent advisory committee to do so, and it will make a recommendation to my right hon. Friend the Member for Tatton. I know that the hon. Gentleman wants me to say something controversial, but it would be wrong to undermine the process in the committee that is under way and to prejudice its decision by saying one thing or another.

Tom Tugendhat (Tonbridge and Malling) (Con): Many people in this House have second jobs, including you, Mr Speaker. Your second job is obviously being Speaker of this House, and you do it assiduously, while being able to serve your constituents. Will the Minister help me to understand which jobs would be considered acceptable by the Government or another statutory body, as many people write books, or own land or property? Should they therefore sell everything into monastic simplicity and become a political class, or should they represent the economy and the people of this country by maintaining an intact body of effort with other people?

Ben Gummer: I congratulate—[Interruption.]

Mr Speaker: Order. We must give a fair hearing to Members on both sides of the House, and to the Minister. Earlier, Members were moaning that the Minister needed to speak up a bit. That is as may be, but the Minister is immensely courteous, and just as he is courteous to the House, so the House should be courteous to him.

Ben Gummer: Thank you, Mr Speaker. I congratulate my hon. Friend on moving himself up the speaking order for the next debate.

Many Members discharge their responsibilities to their constituents incredibly well even though they have interests outside Parliament while some Members—albeit a very limited number—do not do much work on behalf of their constituents even though they have no outside work. This is not a binary debate but, as hon. Members on both sides of the House have said, it is a matter of public concern and one that this House is right to discuss. It should do so with time and with dignity, and I suggest that this is not the right place now—in an urgent question off the back of one story about one Member.

Mr Dennis Skinner (Bolsover) (Lab): Is the Minister aware that roughly the same arguments are emanating from both sides of the House as we heard 40 years ago when we attempted to set up the register? This has not changed, except in that over the years there has been a desire by the majority of Members to ensure that the register and the duties of MPs are strengthened. The real question to be answered now is: how can a full-time politician be a full-time editor of a daily newspaper?

Ben Gummer: One of the many reasons why I admire the hon. Gentleman is that he walked out of the pit straight to this place, and gave an experience to the House of Commons and our representative democracy that few on either side of the House would able to provide. That is of enormous value to this House of Commons. I am not in a position to make the judgment that he invites me to make. I ask that the independent Advisory Committee on Business Appointments provides its independent report before we judge this particular incident, and that the hon. Gentleman contributes his thoughts to the wider considerations of the Committee on Standards in Public Life. I believe that there are strong arguments in his favour, but there are also strong arguments on the other side, and they should be discussed in the round.

Michael Fabricant (Lichfield) (Con): As my right hon. Friend says, there is a fine balance between those who have outside interests and those who do not, but I believe that this House is enriched by those outside interests. I further believe that party apparatchiks do not enhance this House. May I utter a Labour party swear word to the hon. Member for Denton and Reddish (Andrew Gwynne), who talks with his faux outrage? May I just remind him of Tony Blair?

Ben Gummer: Those two words are more likely to anger Opposition Members than Government Members.

It is difficult to frame this debate by looking at particular examples; we have to look at the generality. There are 650 Members of Parliament, many of whom have various outside interests: some are in the professions; some are in the charitable sector. If we start to go down this road, we will have to decide which things we judge
to be more valuable than others. That is a very difficult path to travel down, and the House needs to make its consideration with time and dignity.

Kerry McCarthy (Bristol East) (Lab): Tomorrow I have meetings in this place from 8.30 in the morning till 8.30 at night, including two involving Select Committees. Several ex-Ministers do an excellent job of chairing Select Committees. Should not the expertise that people gain in ministerial office be directed at scrutinising the work of the Executive and doing a job here in Parliament, not somewhere else?

Ben Gummer: I am sure that my right hon. Friend the Member for Tatton will continue to contribute to this House. He has shown every indication of wishing to do so in the past few weeks, and I have no doubt that he will continue to do so over the months ahead. It is right that we all contribute in our own way, and in the way that best discharges our talents. I hope that would be the case for all Members of Parliament, not just the one in question.

Alan Brown (Kilmarnock and Loudoun) (SNP): The hon. Friends of the right hon. Member for Tatton (Mr Osborne) have all jumped to his defence and argued that outside interests help a Member to stay in Parliament. (Mr Osborne) have all jumped to his defence and argued that outside interests help a Member to stay in Parliament. If the outside interests are so extensive, a Member quite clearly will not be contributing to the House, so that argument is ridiculous. The Minister says that Members stand for re-election by their constituents, but unfortunately under the UK political system there are safe seats in which voters do not have a choice, so will the Government look at this issue in the round?

Ben Gummer: The former leader of the hon. Gentleman’s party writes a column for a newspaper—[Interruption.] I am not saying whether that is right or wrong, but the reaction of Scottish National party Members suggests that they might feel a little guilty about putting that question.

The point is that this is not an easy or binary decision to come to. When is too much? Is it one newspaper column? Is it two or five? The House should come to a decision after long and careful thought. It would be good if Opposition Members expressed themselves in the way that we come to the right decision. On the concerns about the north, we are devolving power to Manchester precisely so that we can get the kind of representation that the hon. Lady is calling for. That is why Conservatives are so keen to see that devolution happen. I hope she is happy with the result when it finally comes to pass in the next few months.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Will the Minister seize this moment to congratulate all those colleagues from both sides of the House who serve as reservists, or who practise as doctors or dentists, or in other important trades? Does not the fact that they do so illustrate how the Opposition are sometimes more concerned about the nature of the employment than the employment itself?

Ben Gummer: My neighbour, my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter), is a practising doctor, and my hon. Friend the Member for Lewes (Maria Caulfield) is a practising nurse. They bring particular expertise and skills to our Chamber that would not otherwise be here. There are good reasons and arguments in favour of that, but there are also reasons and arguments to the contrary—they are balanced. We need to have that discussion and then come to a conclusion, because whatever decision we reach will have profound implications for the way in which our democracy functions.

Stephen Pound (Ealing North) (Lab): I do not own any broad rolling acres, sadly, but I do have some skin in the game as the author of a seldom-read column in Tribune entitled “Pound Notes”. Although I do not wish to attack anybody in this House, nor to be quite so clement as the former leader of my party, I do feel that the Minister should perhaps have a quiet word with one of his colleagues about, first, the ministerial code and, secondly, the actual job that Members of Parliament are doing, as some 20% of the work that comes into my office probably should not be done by an MP. Can we try to get some good out of this sorry business and have a look at first principles—or perhaps even go back to basics?

Ben Gummer: I agree with much of what the hon. Gentleman has said. As ever, he speaks a great deal of sense. In a former age, he would have been granted many thousands of rolling acres just for making that point. Perhaps that is one loss for all of us.

Clive Lewis (Norwich South) (Lab): Let me declare an interest as a former NCTJ—National Council for the Training of Journalists—qualified journalist and a member of the National Union of Journalists, which I hope the right hon. Member for Tatton (Mr Osborne) will be joining in short course. Much has been made of possible political conflicts of interest, but will the Minister also address potential commercial conflicts of interest, especially given that the Treasury is one of the biggest spenders on newspaper advertising—the sum is about £2.5 million? Will he commit to publish details of that expenditure?
Ben Gummer: I remember the interest with which I viewed the hon. Gentleman’s contributions to “Look East”. He is right that the Government spend money on newspaper advertising, but that is arranged by civil servants through an independent process involving the Government Communication Service. One of his colleagues tabled a parliamentary question a couple of weeks ago about the nature of the spend over the past few years, and I provided the answer, which is now in the Library.

Liz McInnes (Heywood and Middleton) (Lab): When the former Chancellor promised us a surplus in 2020, I do not think that any of us expected him to go about achieving it in quite this manner. However, I am concerned that the right hon. Member for Tatton (Mr Osborne) might be overstretching himself. Will ACOBA take account of European working time regulations and ensure that he is not damaging his health by working excessive hours?

Ben Gummer: I am not sure that any of us complies faithfully with the European working time directive. My right hon. Friend the Member for Tatton was an industrious man when he was Chancellor of the Exchequer. He was industrious in rescuing this country’s economy, and no doubt he will continue to be industrious in whatever role he wishes to take.

Louise Haigh (Sheffield, Heeley) (Lab): The Minister said earlier that the right hon. Member for Tatton (Mr Osborne) had not actually received the advice from ACOBA. Will he confirm that right hon. and hon. Members are not in breach of the rules by announcing positions before they have received advice, and that ACOBA has absolutely no teeth to enforce rules when they have been breached?

Ben Gummer: It is for ACOBA to make recommendations and conditions. Indeed, it often enforces conditions. In the period leading up to 2010 and just after, only 12 of the 43 Ministers who made applications to take outside employment were allowed to do so without conditions, so ACOBA is able to provide conditions. It is for the committee to judge specifically in this case how it feels that the process has been undertaken. It will do so after taking into account all the evidence. It will publish its decision on the internet very soon, and the hon. Lady will be able to see it, as will everyone else.

Diana Johnson (Kingston upon Hull North) (Lab): Many people will think that parliamentarians should have sufficient life experience before they enter this place, but does the Minister believe that there should be an upper limit on the number of outside jobs that MPs are allowed to take?

Ben Gummer: The Committee on Standards in Public Life is considering that, and it is entirely right that the House should also do so. One reason why colleagues on both sides of the House have identified this issue of politicians being held in low esteem is to do with the culture that has grown up over the past 13, 14 or 15 years of Governments giving immediate answers to stories in the press just to show that they are ahead of some media game. That is not the way to get faith in politics or trust in politicians. We need to be considerate and deliberative, and to think carefully about the problems in front of us. Members of the House should discuss this matter dispassionately, calmly and with dignity in the weeks and months ahead, and come to a conclusion, to which the Government will listen.

Christian Matheson (City of Chester) (Lab): I have only one job: representing the people of City of Chester. Will the Minister confirm or comment on the notion that perhaps jobs for former Ministers should not be accepted formally or announced before ACOBA has announced the conditions on which that job depends?

Ben Gummer: I think ACOBA will look at this case and make its judgment on it and the process that has taken place. I hope that the hon. Gentleman does not mind if I do not comment at this stage, because that would prejudice what ACOBA says. Let us see what ACOBA says; then, no doubt, we will return to the matter, because the House will continue to be interested in it.
Michael Fabricant (Lichfield) (Con): On a point of order, Mr Speaker. Through you, may I thank the Opposition for raising that point? They have done a tremendous job in uniting Conservative Members behind our right hon. Friend the Member for Tatton (Mr Osborne).

Mr Speaker: The hon. Gentleman knows perfectly well that that is not a point of order, but he has made his own point in his own way and it is on the record. We will leave it there.

Alison Thewliss (Glasgow Central) (SNP): I rise to propose that the House should debate a specific and important matter that should have urgent consideration: the introduction of the non-consensual sex exemption in respect of tax credits, which I will henceforth refer to as the rape clause.

Since the two-child limitation of tax credits and universal credit was proposed in the summer 2015 Budget, I have pursued this matter relentlessly. I have used every means available to me through questions and debates, raising the matter in this House on no fewer than 25 occasions. The Government should by now have had adequate time to refine or, as I would prefer, to abandon that deeply flawed policy, but they have left deeply worrying gaps that will leave vulnerable women exposed, which is why I am calling for the debate.

The Government have sought to reassure me many times that women making a claim under the rape clause will be treated sensitively, and that they will be able to go through third-party professionals such as nurses, doctors and social workers, rather than frontline staff of Her Majesty’s Revenue and Customs or the Department for Work and Pensions, but answers to written parliamentary questions I tabled exposed that there has been no training—none—in domestic violence or in the application of the policy to the 660,000 third-party professionals, with the policy due to come into force very soon, on 6 April. That puts vulnerable women seeking to make a claim in the position of having to present themselves to a GP, nurse or social worker to reveal that their third child was conceived as the result of rape, for that professional to determine, without having had domestic violence training or knowledge of the policy, if the circumstances are consistent with their having been raped. What kind of response can such women expect?

The Government are still saying today that they will issue guidance. When? I remind the House that the policy goes live on 6 April, in the middle of the recess. How will we parliamentarians know if the Government have done what they say they will do? Information has been shared with me by a member of staff at HMRC, who wishes to remain anonymous, that the sensitive unit, which will deal with rape clause claims, will not go live until 6 April. Until then, HMRC staff are left crossing their fingers that they do not get inquiries from the public about a sensitive issue in which they have not been trained. That is utterly unacceptable.

The Government have been dodging scrutiny on this issue from the start, burying it at the back of the 2015 Budget, being forced to carry out a consultation they did not want to have, sneaking out the response to that consultation during Trump’s inauguration, and laying Statutory Instrument 2017 No. 387 last week under the negative procedure, to avoid debate in this House. I feel compelled to appeal to you, Mr Speaker, to grant this emergency debate. Women who have faced the worst trauma of their lives—being raped and becoming pregnant as a result of that most serious and dangerous of sexual assaults—are being forced to relive that trauma just to
claim tax credits. That is a gross and despicable invasion of privacy. I believe that we owe it to these women and their children to hold this Government to account.

Mr Speaker: The hon. Lady asks leave to propose a debate on a specific and important matter that should have urgent consideration—namely, “The introduction of the non-consensual sex exemption in respect of tax credits.” I have listened carefully to the application from the hon. Lady, but I am afraid that I am not persuaded that the matter is proper to be discussed under Standing Order No. 24. The Standing Order does not permit me to give my reasons to the House. I shall therefore simply observe that a prayer has been tabled against the regulations, and I hope and anticipate that the usual channels will find time for it to be debated.

Prisons and Courts Bill


Second Reading

4.20 pm

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): I beg to move, That the Bill be now read a Second time.

The Bill makes the most significant changes to the Prison Act 1952 since it was passed 65 years ago. For the first time, it will be clear that the Government are not just responsible for housing prisoners; it will also be clear that a key purpose of prisons is to reform prisoners and prepare them for their return to the community. That means getting prisoners off drugs, into work and improving their education while they are in prison. Together with greater powers for governors, performance tables and sharper inspections, more people will leave prison reformed, and this will cut the £15 billion cost to society of reoffending that we all face every year.

Chris Bryant (Rhondda) (Lab): I understand that people quite often want to be angry at prisoners and say that it is all their own fault, but a large proportion of people in prison have suffered major brain traumas through fights or various other means. The support available in the wider community through the health service can fully rehabilitate them and bring them back into society, but the support in prison is still very weak. Will the Government be doing more to tackle that?

Elizabeth Truss: The hon. Gentleman is absolutely right that many people in prison suffer from serious issues such as the ones he mentioned. Therefore, we are going to give prison governors co-commissioning powers over health services in their prisons so that they can design them around the needs of those offenders, helping them to get the treatment that they need to live a lawful life once they leave prison.

The Bill will usher in a new era for our courts, modernising a process that remains fundamentally unchanged from the Victoria era. Our reforms, in this Bill and wider, create a system that is fit for the 21st century, providing better protection for vulnerable victims and witnesses, improving access to justice for ordinary working people, who will be able to access the courts in a much simpler and more efficient way, and promoting our reputation for global legal excellence and as the best place to do business.

Ian Paisley (North Antrim) (DUP) rose—

Elizabeth Truss: I will give way to the hon. Gentleman before I talk through the detail of the Bill.
Ian Paisley: I welcome the access to justice proposals in the Bill. I urge the Secretary of State to discuss with the devolved Administrations, particularly Northern Ireland—when we hopefully get a Government up and running again there—rolling out the process there so that Northern Ireland can share in the expertise and expense of the system that she has put in place?

Elizabeth Truss: I understand that the hon. Gentleman has had a demonstration of our system, and I look forward to discussing with him further how we can share best practice.

Prisons rightly punish those who break the law, but they should be a place of safety and reform where prisoners can turn their lives around to then lead a lawful life outside prison. Sadly, that is not the case at the moment. The levels of violence in our prisons are too high, as last week’s shocking attack on the young officer at Oakhill shows. I am sure that the thoughts of all those in this House are with him and his family at this very difficult time.

We have worrying levels of self-harm and deaths in custody. The “Prison Safety and Reform” White Paper, which I launched in November, set out a clear plan, combining immediate action to increase staffing levels and track drugs, drones and phones with radical reforms to get offenders off drugs, into work and away from crime for good.

Several hon. Members rose—

Elizabeth Truss: I will take some interventions in a minute, once I have made a bit of progress.

While there is much we can do and are doing operationally, part 1 of the Bill addresses areas that require primary legislation. First, the Bill enshrines in law the purpose of prison. It sets out that prisons must have in mind to try to address that issue?

Mr David Hanson (Delyn) (Lab): Nobody will disagree with the statements the Lord Chancellor has made in relation to clause 1, because they are sensible and sound, but she must recognise that the indicators on self-harm, assaults and everything else are rising, and that there are 6,500 fewer officers than there were seven years ago. Can she tell us how many officers she has recruited to date, how many she expects to recruit and how she can keep a prison population that is at the level it was in 2010 with fewer officers?

Elizabeth Truss: As the right hon. Gentleman knows, we have a programme to recruit 2,500 additional officers across the estate. I can confirm that we started in 10 of the most challenging prisons. We have now successfully secured the complement of officers in those first 10 prisons, which we said we would do by the end of March. We now have a record number of officers—over 700—in training. I do not deny it is a challenging task to recruit those officers, but as the right hon. Gentleman knows from his experience as prisons Minister, it is vital that we do that, because it is only by having qualified and skilled officers that we will help to turn people’s lives around.

I am not just interested in numbers; I am also interested in the career prospects and additional training that we give officers. That is why we are putting in an additional 2,000 senior officer posts across the country. Those will pay upward of £30,000, and they will reward officers who have additional training in areas such as mental health. As the right hon. Gentleman realises, it takes time to recruit and train those officers, but I am absolutely determined to do that, because, alongside these reforms, it is trained officers who will make the difference in our prisons.

Sir Henry Bellingham (North West Norfolk) (Con): I think I can help my right hon. Friend with an idea. About 15% of the prison population are foreign prisoners, and prisoners from places such as Albania, Jamaica, Somalia and Nigeria make up about 20% of them. Surely we can have arrangements whereby those prisoners are sent back to their own, friendly countries—including Commonwealth countries. The Department for International Development might help with the arrangements in those countries.

Elizabeth Truss: My hon. Friend is absolutely right. I am pleased to say that a record number of foreign offenders were sent back last year, but we are doing even more on this and making progress. The Under-Secretary of State, my hon. Friend the Member for East Surrey (Mr Gyimah), is working very hard on it.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I too welcome the Bill, particularly the emphasis that is placed on the purpose of prison. My right hon. Friend
will be aware that one of the most successful young offender programmes is that run by National Grid. It has been going for many years, and National Grid now has 80 partner companies working with it. It has got the reoffending rate down from the average of way over 50% to 7%. In particular, some of its partner companies have been working really hard with Brixton prison in relation to release on temporary licence. Brixton has recently been removed from the ROTL regime, and that is causing some difficulty because there are no other prisons in London that satisfy the criteria. Will she look into that? Will she think about putting this into the Bill, because the ROTL scheme is really working for young offenders?

Mr Speaker: The right hon. Lady was keen to prove that her intervention was not only erudite but comprehensive, and in that mission I think she has been successful.

Elizabeth Truss: I thank my right hon. Friend for her point. She is absolutely right. Getting employers who want to employ people on the outside to train offenders on the inside will help to create the path into work that reduces reoffending. I have been to Brixton and seen the fantastic work that it is doing with offenders. The question she posed is already being addressed by my hon. Friend the Under-Secretary, because we want people to be able to get the experience in work that means that they can leave prison, get into a job, and lead a lawful life. We are also launching a strategy on employment to try to get more employers like National Grid, Timpson and Halfords, which already do fantastic work, to sign up to employing these ex-offenders, because that benefits all of us.

Caroline Flint (Don Valley) (Lab): The Lord Chancellor has mentioned how important staffing is. The roll-out of a 1:6 ratio in public sector prisons is welcome, but I do not understand why it would not apply to private prisons, because they have to deal with the same sorts of challenges as those in our public sector.

Elizabeth Truss: I should clarify that it is a caseload of 1:6, which means that each officer will have responsibility for six offenders whereby they are in charge of making sure that those offenders are safe and encouraging them to reform while they are in prison. The head of the Prison Service, Michael Spurr, is in discussions with the private sector prisons to make sure that they have access to the same level of staffing. We want that to apply in both the private and the public sectors.

Wes Streeting (Ilford North) (Lab): I welcome the Lord Chancellor’s response to my right hon. Friend. The Member for Don Valley (Caroline Flint). The Lord Chancellor has set out this aspiration before, so could she now set out a timescale as to when the imbalance in ratios between the public and the private sectors will be corrected?

Elizabeth Truss: I can assure the hon. Gentleman that it is on the same timescale as the public sector programme, so we will deliver it over the next year and a half.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I commend my right hon. Friend for much of what she is doing in this Bill. Given that she takes great pains to stress the importance of mental health and its link with reoffending and the need to reduce self-harm and other issues in prisons, I am curious as to why one of the fundamental duties in clause 1 is not to promote and protect the mental health and wellbeing of prisoners.

Elizabeth Truss: I know my hon. Friend takes a very strong interest in this area. I assure him that the commissioning arrangements for governors will give them the power to specify mental health treatment in their own prisons. Governors have complained to me that, at the moment, mental health services are available only five days a week. That is an issue if somebody arrives in a prison at a weekend with serious mental health issues.

Governors will be able to co-commission those services. Under the categories of reforming and rehabilitating offenders, we have announced specific performance metrics, some of which will cover health issues. I issued a written ministerial statement recently containing the detail of that, and we will say more about it in due course. That is among the reform measures that we are putting in place, and it will be covered in the performance agreements that individual prisons have with me, as Secretary of State.

Rachael Maskell (York Central) (Lab/Co-op): Askham Grange women’s prison in York has the lowest reoffending rate in the country, at 6%, but for two years the Government have been saying that they are going to close it. Will the Lord Chancellor look at that again and confirm that she will not close such an excellent prison?

Elizabeth Truss: I am certainly very happy to look at that issue. We will shortly launch a new strategy for women offenders, which will be about dealing better with underlying issues—whether that is substance abuse, or issues of abuse and domestic violence—to find a better solution and prevent women from committing the crimes that lead them into custody. We will launch that shortly, and I am sure we will cover the prison that the hon. Lady mentions.

The third priority and purpose of prisons that we lay out in the Bill is preparing prisoners for life outside prison. As has been mentioned, making sure that the offender has sustainable employment and a home to go to is vital in reducing reoffending.

Mark Menzies (Fylde) (Con): In my constituency, I have Kirkham prison, which has been a pioneer in leading a programme on jobs, friends and family; the former prisons Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous) has met those involved. May I ask the Secretary of State, during proceedings on the Bill, to have a look at the programmes being run by Kirkham prison and see whether similar programmes can be incorporated elsewhere, because they really make a difference to people’s lives?

Elizabeth Truss: I would certainly be happy to see the details of that scheme. Family ties will be included in our performance measures and our empowerment of governors. Governors will be given control of their budget for helping prisoners with their family ties. We have had a report from Lord Farmer, and I am meeting him this week to discuss the matter further. In addition to having work and a home to go to, a supportive family can be a very important part of rehabilitation.
Governors need to look at all those things. I am setting out clear expectations of what prisons should be doing, but not how they should do it. I believe that it is up to the individual governor to look at what works for their area and what works for the people in their prisons, so it is important that they should be given the flexibility to deliver things in an innovative way. I will be very clear about the standards that we expect, but how governors deliver those standards will be increasingly down to them.

Victoria Prentis (Banbury) (Con): Does the Lord Chancellor agree that if we are able to tackle the problems surrounding links with families—one of the key recommendations of Lord Farmer—that will, in itself, greatly reduce reoffending? Lord Farmer will show that 63% of the children of offenders grow up to offend. Does my right hon. Friend agree that it is important that we intervene early to ensure that that does not happen?

Elizabeth Truss: My hon. Friend is absolutely correct on that point. Those children often feel as though they have done something wrong, and it is absolutely wrong for them to feel as though they are being punished for a crime that their parent has committed. I am determined that we will do what we can to protect innovative schemes such as Storybook Dads, which help to keep the link between children and their fathers and mothers while those individuals are in prison.

Finally, we need to maintain a safe and secure prison environment. Prisons need to feel safe for staff and prisoners. That means that as well as tackling violent incidents and creating the right kind of culture and atmosphere, we need to provide support to vulnerable prisoners. We also need to make sure that we have sufficient levels of staffing to provide that safety and security.

The Bill makes it clear how I, as the Secretary of State, will account to Parliament for progress in reforming offenders. This is the first time that legislation will make it clear that the Secretary of State is responsible for reforming offenders, and the Secretary of State—that is, me—will have to report to Parliament about what they do. That is a very important change in the culture of our prisons: for the first time, there will be accountability at Cabinet level not just for prisons being safe, which is of course important, and for providing enough prison places, but for turning around and reforming the lives of individuals under the care of the state, and ensuring that they leave prison with better prospects and more likely to lead a law-abiding life.

Ian C. Lucas (Wrexham) (Lab): I have listened closely to this debate, which has largely been extremely consensual. The Lord Chancellor knows about HM Prison Berwyn in the Wrexham constituency—we have already discussed it—and that a great deal of common hope is invested in that institution. In Wrexham, we are hugely impressed by its staff, under the leadership of Russ Trent. To pick up on the point she is making, will she report back regularly on the progress at that prison? Many of the aspects of the philosophy we are talking about are being carried out there in practice, and it will be extremely important to measure that as time passes.

Elizabeth Truss: I am certainly very happy to report back on the progress at HMP Berwyn. We are looking at that progress, and we are learning the lessons across our prison estate.

Mrs Gillan: The Lord Chancellor is very generous in giving way to me twice. She will be aware that people with autism are disproportionately represented in the criminal justice system. Young Offender Institution Feltham was the first prison to have accreditation as autism-friendly, which it has found has reduced violence and helped people with mental health problems. I understand that 20 other prisons are currently going through the accreditation process. Will she give consideration to making sure that all establishments go through the accreditation process, because I believe it will deliver a safer environment in prisons for our officers and for those incarcerated?

Elizabeth Truss: I will certainly look at that. I know my right hon. Friend has a long record of standing up for people with autism and making sure they have proper support.

Sir Edward Garnier (Harborough) (Con): Will my right hon. Friend give way?

Elizabeth Truss: I want to finish this point, because I must move on to the courts section of the Bill, but I will give way.

Sir Edward Garnier: My right hon. Friend is very kind. The Bill says:

“The report must set out the extent to which prisons are meeting the purpose mentioned in section A1.”

What happens if a prison, or prisons generally, do not meet such a purpose? What will the Secretary of State do about it, what can she do about it, and what will happen if she does not do anything about it because prisoners are let out?

Elizabeth Truss: My right hon. and learned Friend, who served as the shadow prisons Minister, makes a very important point.

As well as creating a framework for the Minister, the Bill will set up a new Executive agency, Her Majesty’s Prison and Probation Service, from 1 April, to focus on the operational management of prisons and probation. We will have new standards, and performance measures will appear in performance tables so that the public can see, transparently and accountably, what is going on in prisons. At the moment, we do not know the employment rate for those coming out of a prison, how good a prison is at improving the English and maths of the people inside it, or how effective it is at getting them off drugs. Those measures will all be published, which will lead to much greater scrutiny and accountability for the public.

In addition, I am strengthening the powers of the prisons inspectorate. The inspectorate—the chief inspector, in particular—will be able to trigger an urgent response from the Secretary of State in the most serious cases. That means that if a prison is failing to meet the standards, the Secretary of State will have to respond within a specific timetable with an action plan to improve the prison. At the moment, that is not the case.
Mr Grieve: I assume, therefore, that this is intended to be justiciable, and that if the Secretary of State were not to respond within the time suggested the Government would be reviewable in court.

Elizabeth Truss: It will be enforceable through the inspectorate, which will be given specific powers to ensure that that happens.

The Bill will place the prisons and probation ombudsmen on a statutory footing, giving him greater authority and statutory powers to investigate deaths in custody. The Bill supports our efforts to stop drug use and crime enabled by illegal mobile phones. It enables phone network operators to disrupt unlawful use of mobile phones in custody.

Kate Green (Stretford and Urmston) (Lab): I just want to ask the Lord Chancellor, if she could answer very simply, who is accountable in the event of a prisoner’s escape?

Elizabeth Truss: The governor is accountable for what happens in their prison, but there is a line management structure through to the head of the Prison Service and, ultimately, the Secretary of State.

The Bill supports swifter responses to the devastating effect of psychoactive substances. There have been very serious cases on our prison estate. They fuel debt and violence and can have a serious impact on prisoners’ health. We rolled out new tests for psychoactive substances in September last year—we were the first jurisdiction in the world to do so. The Bill strengthens our ability to keep up with the speed at which substances evolve. It allows quicker testing for all newly identified psychoactive substances based on the generic definition of those substances set out in the Psychoactive Substances Act 2016.

We face challenges in our prisons that will not be solved in weeks or months, but I am absolutely determined to turn the situation around. We now have the resources to do so: we are investing an additional £100 million a year and we have a clear plan. The measures in the Bill provide a structure under which accountability and scrutiny can take place, so we will be able to see how our prisons improve over time.

The Bill introduces major reforms to the court and justice system, which I announced in my joint memorandum with the Lord Chief Justice and Senior President of Tribunals in September. It will introduce more virtual and online hearings, put in place greater protection for victims and witnesses, and provide greater support for our excellent judges and magistrates.

I want to take a moment to pay tribute to the Lord Chief Justice, John Thomas, a great reformer who has spearheaded these reforms and who will retire later this year. I also want to thank the Senior President of Tribunals. Their vision for a courts and tribunals system that is just, proportionate and accessible lies at the very heart of the reforms set out in the Bill. The reforms are a tribute to their tireless work, alongside other senior members of the judiciary.

Robert Neill (Bromley and Chislehurst) (Con): On behalf of the Justice Committee, may I warmly associate myself with the Justice Secretary’s entirely appropriate comments on the Lord Chief Justice and the rest of the senior judiciary? Will she reflect on whether the Bill’s passage through the House may not provide an opportunity to revisit the retiring age of senior judiciary, which, at 70, runs against the behaviour of much of the rest of society and our economy?

Elizabeth Truss: I thank the Chairman of the Select Committee for introducing this hotly debated issue into our discussion on the Bill. The measure is not a part of the Bill. I have had discussions on this issue with the senior judiciary. We should certainly consider it in due course, but at the moment there is no consensus.

Yesterday, we announced that we are bringing forward the roll-out of reforms to allow rape victims to pre-record their cross examination, sparing them the trauma of giving evidence during trial. This follows successful pilots of measures for child victims of all crimes. This will not reduce the right to a fair trial. During the pilots for vulnerable victims there was no significant change in the conviction rate, but we did see more early guilty pleas and fewer cracked trials. That means less stress and trauma for all of those participating in the case.

I want to praise the determined leadership of the president of the Queen’s Bench Division, Sir Brian Leveson, and the senior presiding judge, Lord Justice Fulford. They have been vital in developing the plans for rolling out these provisions for child victims and victims of sexual offences in all Crown courts. Given that in some of our Crown courts, almost 50% of cases are sexual cases, this is a very important reform that will help us to support people who have to go through this terrible experience and to improve the situation for them.

Ann Coffey (Stockport) (Lab): This is a very welcome announcement, but it will mean that more cases will have to be included in the roll-out of section 28, which is due to be completed by December 2017. The sexual assault referral centre in Manchester is currently a remote site, enabling cross-examination of vulnerable witnesses by video link to the court. Will the Secretary of State consider the use of existing remote sites such as St Mary’s for pre-recorded cross-examination of witnesses, which would help to prevent delays in the roll-out of section 28, which has been a fantastically successful pilot?

Elizabeth Truss: I am in principle in favour of using alternative venues, other than courts, which can be conducive to people giving the best possible evidence in a less intimidating environment. I would have to discuss that with the senior judiciary—we are working closely with them on this issue—but I am certainly in favour of using places such as sexual assault referral centres to make sure that we give the best possible support to victims and witnesses at a very difficult time for them.

The measures set out in the Bill will further enhance our ability to protect vulnerable witnesses and modernise the courts and tribunal system. Our changes to the system should be reflected in better legal support, but are focused on early help and representation. That is why we are bringing forward a legal support Green Paper in early 2018, setting out proposals to update the system of legal support in a modern court system. Put simply, what we want is less time spent navigating the system and more legal time spent on giving people legal advice and legal representation.
Parts 2 and 3 will take forward measures relating to procedures in civil, family and criminal matters, and the organisation and functions of courts and tribunals. I shall talk through each in turn.

Ian C. Lucas: One area that I am concerned about is representation in court in matrimonial proceedings, which can be some of the most difficult, emotional and contentious cases in our courts, yet very little legal representation is publicly funded. Is the Lord Chancellor content with the current situation, and which areas does she think need the most attention?

Elizabeth Truss: If the hon. Gentleman is asking me whether I am content with the current situation, no, I am not. We need to reform the family justice system. We need to help people to get an earlier resolution of their issues. We need to get better at helping families, and I am a big fan of the family, drugs and alcohol courts and the work that they do in supporting parents. That is why the Minister for Courts and Justice and I will bring forward a Green Paper on family justice that will look at the system in a holistic way to see how we can do things better within the family justice system. There are certainly areas where improvement needs to be made.

Banning the ability of alleged abusers to be able to cross-examine their victims in court is an important step. This was done in the Crown courts in the 1990s, and we are only now catching up with it in the family courts. It is very important to give family courts the priority in the system that they deserve, so that we can deal with these difficult issues in people’s lives as sensitively as possible.

This Bill will also make sure that victims and witnesses in the criminal courts receive the support they deserve. It will extend the use of video links from virtual hearings, which will have multiple benefits. First, it will allow victims to be eligible to take part in cases without having to meet their alleged attacker face to face. In future, about 180,000 victims and witnesses a year will be eligible to give evidence remotely from a convenient location or in advance of a hearing. The Bill will enable more bail hearings to take place through video link and away from the courtroom, saving time and money. It will increase the efficiency and effectiveness of the overall process by allowing a number of decisions to be made outside the traditional courtroom, and it will save people time spent in travelling to court: it will save about 112,000 journeys from prisons to courts each year.

Mr Grieve: I am most grateful to my right hon. Friend for giving way again. I support the thrust and intention of the Bill. Normally a victim is the first witness for the prosecution, but is there not a risk that the question that someone may wish to ask the witness will be changed by the evidence that precedes the giving of that evidence by the witness? We shall have to have a system to deal with that if a fair trial process is to be maintained.

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Richard Fuller (Bedford) (Con): My right hon. Friend will be aware that a number of magistrates courts—including the court in Bedford—were closed in past years by the justices themselves, despite the best efforts of my hon. Friend the Member for North West Cambridgeshire (Mr Vara), whose hands were tied. Will these measures help to allay my constituents’ concern about the difficulties of additional travel in the case of some offences? Will the Bill give them some comfort by ensuring that the problems involved in having to go to Luton will be allayed?

Elizabeth Truss: My hon. Friend is right. I represent a rural constituency, and I understand people’s concerns about having to travel far. Virtual hearings will enable people to do more online so that they do not need to travel to court, and to use virtual videos. That is already reducing travel needs throughout the country. If people want to observe a case in another part of the country, they will be able to go into their court to do so, with special permission. Victims and witnesses will have more access to the justice process.

MRS Madeleine Moon (Bridgend) (Lab): Transferred online communications are wonderful if people have access to quality broadband, but communities in parts of my constituency have broadband that is as slow as 25% of capability. How on earth will people be able to gain access to justice when they cannot possibly do anything online because of appalling broadband?

Elizabeth Truss: We are doing a lot to improve broadband across the country. The online system is not mandatory; the paper process will be available. I have been looking recently at virtual hearings that are taking place across the country. In some areas, such as the south-west of...
England, there is very high take-up of these hearings, because being able to use broadband helps people in rural areas, who have long distances to travel to get to court.

The Minister for Courts and Justice (Sir Oliver Heald): Particularly in the west country.

Elizabeth Truss: The west country is leading the way at the moment, and we are looking at how we can encourage courts across the country to do the same thing.

I am very pleased to say that civil justice is at the forefront of our reforms. I was proud to announce the new business and property courts last week with the Lord Chief Justice and the Chancellor of the High Court. These courts are the vanguard of our world-class civil justice system, making sure that global Britain leads the world in law. They will be based in London, Leeds, Bristol, Manchester and Cardiff, and they represent the fact that our courts and commercial courts serve not only the City of London, which is of course important, but significant regional centres across the country.

Robert Neill: I promise that this intervention is uncontroversial. Does my right hon. Friend agree that, as well as the integrity of the judiciary, one of the strengths of our commercial courts is the ability to enforce judgments worldwide, and that includes within the European Union? Does she therefore accept that it is most important that the ability to enforce the judgments of our courts in the EU remains a top priority in our Brexit negotiations?

Elizabeth Truss: My hon. Friend is correct. As well as making sure that these commercial courts cover all the regions of our country, we need to make sure that there is mutual enforcement of judgments elsewhere. We have a commitment to do that as a Government; it is something that I have agreed with the Secretary of State for Exiting the European Union, and it is a priority for the Government’s negotiations.

This Bill introduces a new online court which will enable people to resolve civil claims of up to £25,000 simply and easily online. These online services will increase access to justice. It will reform procedures so that people can make witness statements rather than statutory declarations in relation to certain traffic and air quality offences in the county court. It means that people will not have to go into court to go through this process. The Bill will also streamline the use of “attachment of earnings” orders, giving the High Court the same power as the county court to make attachment of earnings orders in relation to judgment debts, and on the basis of a fixed deduction scheme.

We also want our excellent judiciary and magistrates to be better supported in the work they do. This Bill will allow judges in all our courts and tribunals to make greater and more effective use of authorised court staff, to assist them with tasks such as dealing with routine applications or ensuring compliance with court directions. This will allow our judiciary to prioritise their time and expertise on the matters where they are needed most.

The Bill will bring the legislative framework for the employment tribunal system into closer alignment with that of the wider tribunals system. It will confer responsibility for making procedural rules to the Tribunal Procedure Committee. Employment judges will be able to delegate routine tasks to appropriately trained or qualified staff. Overall, these reforms will benefit tribunal users, whose cases will be resolved more quickly and proportionately.

We have the most highly regarded judiciary in the world; they are a beacon of independence, expertise and commitment to the rule of law. The Lord Chief Justice and I are working closely together to make sure that we have the strongest possible role for judges and magistrates in a transformed and modern justice system. We are putting in place reforms that recognise magistrates as an integral part of this judicial family. The judiciary is an important part of our constitution and its continued independence is vital for the rule of law. We must continue to uphold the very high standards and to select its members purely on merit. That means ensuring that people want to apply, feel valued and have good working conditions. I value the work that the judiciary does, from the magistrates and tribunals to the High Court and the Supreme Court. As Lord Chancellor, I am determined to support them in all they do.

Part 4 takes forward measures to ensure that our judiciary have the support and opportunities they need for a fulfilling and successful career. This Bill will strengthen leadership structures in the judiciary, supporting our wider work to provide clear career progression for judges, and ensuring that the widest possible range of talent comes into our judiciary. It will make it easier for the judiciary to deploy judges more flexibly, allowing judges to gain experience of different types of cases and helping with their career progression. The Bill will also enable the Judicial Appointments Commission to assist with selection exercises in other parts of the world, sharing the leading expertise within the commission.

Part 5 tackles the rampant compensation culture that has developed around whiplash claims—

Philip Davies (Shipley) (Con): Just before my right hon. Friend moves on, may I ask her a question about magistrates? She rightly values the work that they do, so when can we expect the Government to allow them to send people to prison for 12 months, rather than six? This Government have been promising to do that for quite some time.

Elizabeth Truss: I thank my hon. Friend for his dogged support for magistrates; he is absolutely right about the fantastic work that they do. I am looking into this issue, and I would be happy to discuss it with him further.

Part 5 tackles the rampant compensation culture that has developed around whiplash claims. The number of road traffic accident personal injury claims is over 50% higher than it was 10 years ago, despite there being fewer accidents and safer cars on our roads. The Bill will enable us to introduce a transparent tariff system of fixed proportionate compensation for whiplash claims with an injury duration of up to two years, and to ensure that all claims will be supported by good quality medical evidence provided by accredited experts.

Chris Leslie (Nottingham East) (Lab/Co-op): Should not the Lord Chancellor use the Bill to put in place a fairer and more balanced framework for calculating
personal injury compensation lump sum insurance payments, following her seismic decision on the discount rate a few weeks ago? That decision has the potential to raise our constituents’ insurance premiums, and the Treasury has said that it could add £2 billion next year and £1 billion thereafter to NHS litigation costs, which will affect the taxpayer. Surely the Bill could introduce a better balance.

Elizabeth Truss: I can assure the hon. Gentleman that he will not have to wait long for an answer to his question. I agree that the system is in need of reform, and I will bring forward a consultation before the Easter recess. I look forward to hearing his contribution to it.

Rob Marris (Wolverhampton South West) (Lab): Will the Secretary of State tell the House where the consultation document? Those were judged to be fair and reasonable for the level of injury that we are talking about in this case.

Elizabeth Truss: The hon. Gentleman will have noticed that we have changed the figures in response to the consultation document. Those were judged to be fair and reasonable for the level of injury that we are talking about in this case.

Chris Philp (Croydon South) (Con): I strongly welcome the provisions in the Bill to clamp down on whiplash fraud. Will the Lord Chancellor consider widening very slightly the definition of “whiplash injury” in clause 61 to include injuries to the lower back as well as the upper back?

Elizabeth Truss: That issue was covered in the consultation, and we have brought it back after listening to what people fed through in the consultation. The Bill will end the unfairness of higher premiums for motorists while ensuring that fair compensation remains available for genuinely injured claimants.

The Prisons and Courts Bill will usher in a new, modern era for our prisons, courts and justice system. It will do three key things. It will ensure that our prisons are places of reform so that offenders have the skills they need to return to society, to secure employment and to turn their back on crime. It will create a courts and tribunal system that protects the most vulnerable and is more straightforward and accessible for all. It will also enable the judiciary to meet the demands of a modern justice system and enhance our reputation for legal excellence around the world. I commend the Bill to the House.

5.9 pm

Richard Burgon (Leeds East) (Lab): I start by echoing the Justice Secretary’s comments about the young prison officer Ryan Goodenough, who was attacked in Oakhill secure training centre last week. I pay tribute to all our prison officers, who do such a good job in such difficult circumstances.

I thank the Secretary of State for telephoning me the evening before the Bill’s publication to discuss its contents, and the Minister for Courts and Justice for meeting me last week to discuss the Bill in further detail. Even though I have been in this place for only a limited time, I understand that that is a custom more often honoured in the breach than observance, so I was pleased that they contacted me in a courteous and informative way. I also thank the House of Commons Library for its thorough and clear briefing, which has assisted me and my staff, and doubtless many other Members and their staff, too.

We are discussing a Bill to amend the procedures in our prisons and courts. The Bill has been trailed since the Queen’s Speech last May—back in the days when the former right hon. Member for Witney was Prime Minister, the right hon. Member for Surrey Heath (Michael Gove) was Justice Secretary, and the right hon. Member for Tatton (Mr Osborne) could not find the time to edit a daily newspaper. Much has changed since then—we have waited a long time for this Bill.

We are not opposed to the Bill. Indeed, we welcome and support much of its content. However, when we disagree with provisions or believe that the Government should go further, we will pursue amendments in Committee. The Bill comes at a time of dual crises: a dangerous and declining prison estate; and thousands of people being priced out of access to justice. I will set out the reasons for those crises and what the Bill must offer to make a real difference.

It has been the Secretary of State’s misfortune to inherit a brief that has been dominated from day one by the crisis in our prisons. That crisis is not of the Secretary of State’s making, but it was created by the Conservative Government’s cuts agenda. The relevant statistics are often cited in this place, but they are worth repeating. There is overcrowding in 68% of our prisons, with more than 84,000 people for approximately 77,000 places. In the 12 months to September 2016, there were more than 25,000 prisoner assault incidents, which represented a 31% increase on the figure for September 2015. Assaults on prison staff reached 6,430, which was an increase of 82% since 2006 and a 40% increase on the year before.

In the 12 months to December 2016, there were 354 deaths of prisoners in custody, 34% of which were self-inflicted. This Government’s decision to cut 7,000 frontline prison officers no doubt contributed in large part to the crisis, but that was allied with the disastrous decision to part-privatise our probation service, meaning that the effective rehabilitation of offenders has become all but extinct under successive Conservative Governments.

Philip Davies: I, too, want to support and help to protect our prison officers. I intend to table an amendment whereby a prisoner who assaults a prison officer should no longer be automatically released halfway through their sentence. That would have a big impact on the Prison Officers’ Association—it would welcome that support—and it might deter some of the violence in prisons. If I table such an amendment, will the hon. Gentleman show his backing for prison officers by supporting it?

Richard Burgon: In Committee, my hon. Friend the Member for Halifax (Holly Lynch) and others will look at ways of ensuring that we put the safety of our prison
officers first, and on a par with the safety of police officers. Overcrowding, violence and failure to reform are all challenges that the Bill must confront and surmount.

The Bill sets out proposals to modernise the way in which our courts and tribunals operate, which is welcome. I can testify from my decade as an employment tribunal lawyer that when Dickens complained in “Bleak House” about the turgid pace with which courts dealt with cases, he could have been speaking for our age, too. However, technology has begun to appear in courtrooms, from which it was previously glaringly absent.

It is vital that such innovations do not come at the expense of access to justice, because in recent years, when the Conservatives have released documents with the word “transforming” in the title, that has usually been shorthand for cutting, diminishing and failing—think of “Transforming Legal Aid” and “Transforming Rehabilitation.” “Transforming our Justice System,” which is one of the papers that has influenced this Bill, must not result in the same.

The Lord Chief Justice, Lord Thomas, was certainly correct when he said last year: “Our system of justice has become unaffordable to most.” I was glad that the Secretary of State praised Lord Thomas in her speech, but I would welcome it if she went beyond praising him and agreed with his analysis of the barriers to access to justice.

Mr Shaiilesh Vara (North West Cambridgeshire) (Con): Lord Thomas certainly said that, but the hon. Gentleman will be aware that Lord Thomas also supports all the Bill’s measures on reforming the courts, particularly on using technology to allow the access to courts that so many people were saying was going to be denied. Lord Thomas supports all the measures.

Richard Burgon: I made it clear at the outset of my speech that we will not oppose the Bill on Second Reading. We welcome a number of the Bill’s measures, but the Government should go further. I hope that the Secretary of State will agree that reform should not come at the expense of access to justice, and if Lord Thomas, whom we all hold in high esteem, is saying that our system of justice has become unaffordable to most, Members on both sides of the House must take that seriously.

Nothing more poignantly demonstrates what Lord Thomas said about the barriers to access to justice than the 70% reduction in employment tribunal cases following the coalition Government’s introduction of employment tribunal fees. The Bill must provide answers to such problems. Technology alone is not a panacea, nor must it be utilised to mask further cuts to public funding.

A key feature of the Bill that has received much coverage in recent weeks is the proposed reform of whiplash claims. When the Bill was published, many people were pleased that it did not raise the small claims limit for all personal injuries, so the Government can be congratulated on listening—or listening a little—but we should be clear that the reform of whiplash claims is based on a false premise. The Secretary of State said today that there is a “rampant compensation culture”, but there is no epidemic of fraudulent claims. The British people are not on the fiddle or on the make in the way the Government so disparagingly suggest.

Mr Vara: The shadow Minister’s tone suggests that he agrees with much of the Bill—that is welcome—but how does he explain the fact that while the number of accidents is going down enormously, the number of whiplash claims has nevertheless increased by 50%? Does that have something to do with fraud?

Richard Burgon: The number of whiplash claims in recent years has reduced—[Interruption.] In recent years it has. I should also point out that there is a duty upon insurers to defend claims and not to pay out when claims are fraudulent.

Mr Hanson: I wonder whether my hon. Friend can help me a little. The Government have claimed that the whiplash proposals will reduce insurance premia for drivers by about £40. Has he become aware of any evidence to back up that claim? If so, will he share it with the House, because we would be interested in examining it?

Richard Burgon: Thank you right hon. Friend for his intervention. Unfortunately, the Government have provided no cast-iron assurances that this saving will be passed on to drivers—if it exists at all.

Kate Green: Does my hon. Friend agree that it is wrong to penalise people who have valid personal injury claims because of a possible rise in the number of claims that is driven by cowboy claims management companies cold calling people to suggest that they should make claims that have no basis in reality? The Bill does nothing to address that.

Richard Burgon: I agree with the point that my hon. Friend so eloquently makes. Injured people should not be made to pay the price of the behaviour of the unscrupulous minority—the companies that engage in the practices she describes.

The Secretary of State started her speech by explaining how the Bill introduces a statutory purpose for prisons to “protect the public...reform and rehabilitate offenders...prepare prisoners for life outside prison; and...maintain an environment that is safe and secure.” Of course we agree with those aims, but most people believe that they are what prisons are meant to be doing already. It is crystal clear that those things are not happening today. The main problems in prisons cannot be disputed: violence, drugs, overcrowding and under-staffing. To combat those threats effectively, we need a plan for order—a plan to reduce the demand for and supply of drugs, to manage the prison population, and to recruit and retain prison officers. Where is any of that in the Bill? Where are the practical measures to realise those goals? We will be returning to those issues in Committee.

Rob Marris: Let me try to help my hon. Friend because there is a bit of a theme running through the Government’s approach. Ironically, given that we are considering the Prisons and Courts Bill, the Government’s approach to evidence is somewhat cavalier. Most of us would accept there is likely to be cause and effect between cutting 6,500 prison officers and replacing them with only 2,500, and the terrible state of our prisons; and between the introduction of massive employment tribunal fees and a lack of access to justice. Now we have bizarre
compensation tariff proposals for whiplash with no evidence of where the Government got their figures from, but just an assertion from the Secretary of State that they believe in fair compensation. Well, I believe in Santa Claus as well.

**Richard Burgon:** My hon. Friend puts it very well indeed. Evidence is required in court and in this place, and the evidence to back up some of the Government’s proposals is lacking. I will say more about this later, but there is a similar situation in respect of the review of employment tribunal fees. In effect, it says, “There is nothing to see here,” despite evidence showing that there has been a 70% reduction in the number of cases brought to those tribunals.

**Victoria Prentis:** I am glad that the hon. Gentleman agrees with much of what is in the Bill. Does he agree that the White Paper alongside it contains a lot of the evidence that he is searching for?

**Richard Burgon:** Of course we have considered the White Paper but, as I said, we will be returning to these practical proposals in Committee as we attempt to improve the Bill.

Did Ministers consider that the resettlement of prisoners might be a worthy aim to set out in the Bill? Too many prisoners leave prison without a home to go to, and that is a barrier to many things, including getting a job. It hampers rehabilitation and increases—

**Mrs Moon:** Is my hon. Friend aware of the Emmaus project? It will offer a prisoner who is ready to take the step of moving away from drugs and offending and into work the chance to become a companion. People will prepare goods for sale in the Emmaus shop, and restore and repair other goods. Those people claim no benefits other than housing benefit, so there is no real cost for the state, but they are supported in changing their lives absolutely and getting back into work. Should we not encourage that?

**Richard Burgon:** Fantastic work such as that of the Emmaus project helps not only to turn around the lives of inmates, but to protect society, because the majority of people who go into our prisons will come out and live next door to us. The project helps to give people a stake in society and to reduce reoffending, and the Government can learn much from it. Leaving prison without a home to go to creates a barrier to many things, including getting a job, and that hampers people’s reintegration into society.

**Mrs Gillan:** I welcome the hon. Gentleman’s support for many of the Bill’s provisions. Does he agree that the National Grid scheme, which was started all those years ago by Dr Mary Harris, does valuable work in finding homes for prisoners? It takes prisoners out on temporary licence, pays them and finds them a job—this means they have money in the bank—and often finds them a home. That is why the programme is so successful in reducing reoffending. Does he agree that the scheme should be rolled out right across the prison system, particularly as by 2020 we will need around 1.8 million engineers throughout the UK?

**Richard Burgon:** That programme is certainly worth while and welcome. I have been arguing that the Bill should refer specifically to such practice.

We need to know more about what the Secretary of State’s overall responsibility for the statutory aims will mean in practice. Who will decide whether she is fulfilling her responsibility? We welcome the additional powers for the inspector of prisons, but the inspector’s report will mean little, if not nothing, if its recommendations are simply ignored. As we have heard, the Bill will require the Secretary of State to respond within 90 days. It will be interesting to know how that time period was decided, but beyond responding to a report, what else will she be required to do?

Many stakeholders tell me that a failure to take any action in response to independent monitoring boards’ reports and inquest jury verdicts has contributed to the prisons crisis. The recent tragic death of Dean Saunders is a sad case study of what can go wrong when mental health issues and our prison system collide. Has the Secretary of State considered whether she or prison governors should be required to respond to such findings? Could the role of the governor be more effectively scrutinised through a system of peer-to-peer review across the prison estate—whether public or private?

The urgent notification system is welcome, but how did the Government arrive at the 28-day time limit for a response? Does the concept of urgency not demand a shorter period? There have been past attempts to put the prisons and probation ombudsman on a statutory footing. Perhaps that is now within reach, but that is all the Bill will achieve in this regard. What thought did the Secretary of State give to expanding or augmenting the ombudsman’s powers? There is nothing in the Bill that addresses the need to improve the experience of and care for those who come to prison with mental health problems, or that addresses whether prison is even the right place for many of them in the first place.

Blocking the use of unauthorised mobile phones in prisons is clearly an urgent task, which we of course fully support, but other measures could be taken to complement the innovation in the Bill and reduce the trade in mobile phones. Committed and hardened criminals will seek out mobile phones to try to continue their criminal enterprises and activities from inside our prisons. For those prisoners who just want to phone home or phone a friend, greater access to affordable pay phones for monitored calls will help to reduce the demand for mobiles. Currently, some prisons have pay phones in cells, but most have pay phones only on the prison wing, which means that, at association time, the prisoners end up queuing to use the phone, and they may not get to use it before their association time is up. Better access to affordable pay phones and privacy from other inmates will reduce the demand for mobile phones. We welcome the Government’s measures to block the unauthorised use of mobile phones.

Developing and using an effective way of testing for psychoactive substances is also vital. However, that alone will not deal with the demand and supply of those substances. Recent reports from the inspectorate have found that overcrowding and a shortage of prison officers means that intelligence-led drugs tests are, sadly, a rarity. The best and most effective way of reducing the
To ensure a full and purposeful programme for all prisoners so that their time in prison is occupied.

Many of these problems with which we now grapple can be linked with the disastrous decision to cut prison officer numbers by 7,000—or 30%—since 2010. The public sector pay freeze has made recruitment more difficult and without sufficient numbers of officers in prisons, order cannot be maintained. Officers do not have time to mix with prisoners and gather intelligence or to conduct searches, fabric checks of cells, and drugs testing.

Rob Marris: In that context of insufficient staff, does my hon. Friend join me in welcoming the establishment of a prisons and probation ombudsman with considerable powers, including one to direct the form of the response to be made by the Secretary of State to a report from the ombudsman? It is a considerable power. To have a strong ombudsman who would be prepared, if necessary and in certain circumstances, to face up to the Secretary of State is a powerful protection when that ombudsman investigates deaths as well as other complaints.

Richard Burgon: That is a very important point. We support a strong ombudsman, and we want reassurances that the Secretary of State will have to not just respond to the ombudsman, but take action on the basis of the findings of the ombudsman.

Prison officers to whom I speak want to help offenders turn their lives around. They want more responsibility and to be part of a valued profession. They do not want to be viewed just as turnkeys, but successive Conservative Secretaries of State have diminished their role.

As mentioned earlier, the Government have set out plans for league tables and greater autonomy for prison governors. One wonders why the Government are persisting with the league tables idea when it was first dismissed by the chief inspector of prisons, Peter Clarke, at the Justice Committee in January. The Prison Governors Association has said that league tables “will not achieve anything other than to risk demoralising staff and of unfairly judging the senior management team”.

Perhaps that was what prompted the Under-Secretary of State for Justice, the hon. Member for East Surrey (Mr Gyimah), to tell the Justice Committee that it would be performance data. The PGA also fears increased powers, including one to direct the form of the response to be made by the Secretary of State to a report from the ombudsman with considerable powers, including one to direct the form of the response to be made by the Secretary of State to a report from the ombudsman. It is a considerable power. To have a strong ombudsman who would be prepared, if necessary and in certain circumstances, to face up to the Secretary of State is a powerful protection when that ombudsman investigates deaths as well as other complaints.

Rob Marris: Does my hon. Friend agree that part of the difference is that some Government Members apparently have overlooked the fact that very often employment tribunal cases are brought by people who have no job? They have no income. That is why they are bringing a tribunal case. It is very different from a big commercial dispute, where court fees are paid for access to justice, to charge tribunal fees to people who have no income and no job, and that is the substance of their complaint to the tribunal.

Richard Burgon: My hon. Friend makes an important point. I would also give the example of people being charged employment tribunal fees that exceed the underpayment of the wage about which they are complaining. That really discourages claims.
Sir Oliver Heald: The hon. Gentleman fails to mention that the policy was designed in part to increase the number of cases that are conciliated. Now, instead of 23,000 cases a year going to ACAS, 92,000 do and half of them are resolved, and of course it is free.

Richard Burgon: The coalition Government’s objective in introducing employment tribunal fees was to strengthen the hand of employers, including unscrupulous ones, and to weaken the hand of individual employees. That is what the policy was about and that is why it has worked from the Government’s perspective. The ACAS conciliation now offered as compulsory conciliation is not the same as the role of ACAS in the past when people issued an employment tribunal case. No professional advice is given on the value of the case. Just because a claim has not been issued or a matter has been discontinued does not mean that it has been resolved satisfactorily with both parties on an equal footing. To make it clear, Labour would abolish employment tribunal fees because Labour believes in access to justice.

Mr Djanogly indicated dissent.

Richard Burgon: The hon. Gentleman shakes his head, but his earlier comments about people looking for something for nothing show how out of touch he is.

Mr Djanogly: It is quite the opposite. I am suggesting that the hon. Gentleman’s policy would be giving something for nothing.

Richard Burgon: More than implicit in the hon. Gentleman’s ill-considered comments is that allowing people to seek justice in the employment courts without paying money is a something-for-nothing practice. That is a disgraceful comment, which we look forward to publicising as widely as we can. The Government need to think again when it comes to employment tribunal fees.

Sir Oliver Heald: What is wrong with moving from a system where very many cases go to the employment tribunal to one where most cases are conciliated? It is a much easier way for people to get justice.

Richard Burgon: The problem is that the price that is being paid is that of access to justice, and that is unacceptable to the Labour party at least. Are the Government seriously contending that 70% of claims brought before 2013 were somehow fraudulent? If so, that is absolutely outrageous.

Rob Marris: Would my hon. Friend repeat the figures? I thought he said, in round terms, that there were half a million fewer cases after the changes, but the Minister has indicated that 70,000 more cases go to arbitration. That is a big gap—it is still more than 400,000 people who are not getting access to justice.

Richard Burgon: That is completely right. My final point on the subject, before I move on to the closures of courts and tribunals, is that the introduction of employment tribunal fees has harmed not only those who would bring a case, but those who would never dream of bringing a case. If employers know that there is virtually no chance of an employee bringing a case against them if they break the law, it gives unscrupulous employers the green light because they know that the risk of being held to account is so much diminished. This goes to the root of what access to justice is. Legal rights are basically worthless if we cannot enforce them or rely upon them because of lack of resources or for any other reasons.

Two Government programmes earmarked a total of 243 courts and tribunals for closure. This has obvious and long-lasting effects on the principle of local justice. The cuts have led to an increase in the number of people forced to represent themselves. As far back as 2014, figures such as the Lord Chief Justice, Lord Thomas, were warning of the rise in unrepresented litigants—litigants in person. The Justice Committee’s 2015 report into the impact of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 said:

“The result is that the courts are having to expend more resources to assist litigants in person and require more funding to cope”.

We know that, and we know that litigants in person clog up the court system and make it less efficient.

As Members of Parliament, our weekend advice sessions are full of people who need a lawyer, but cannot get one. Ministers seem to treat the involvement of lawyers in litigation or potential litigation as a fundamentally bad thing. That misses much of the point. Those hon. Members who have ever needed to use a lawyer or who have ever been lawyers themselves will know the valuable role lawyers play in dissuading clients from ill-advised litigation, in encouraging settlements that are fair and beneficial to clients where possible, and in shortening the proceedings in court.

In that respect, the prohibition in part 2 on cross-examination by the abuser of the abused is, of course, very welcome. The stark evidence from groups such as Women’s Aid is that this gap in the law was being used as a further means of control and abuse. Despite the fact that we very much welcome this measure, it cannot be left unsaid that the reason this serious problem became so pronounced was the Government’s legal aid cuts, which exacerbated it in a very damaging and profound way, and Resolution—the body of family solicitors—makes that clear:

“The impact of LASPO has led to an increase in litigants in person, meaning we’ve seen a rise in the number of defendants cross-examining those they have abused.”

Let me turn to the subject of modernisation. Few will disagree that the court system needs modernising and digitising—some would say it is in more need of modernisation than this place. There remains too much paper involved, when technology has made it possible for much documentation to be stored, referenced, annotated and amended using tablets and the like. However, technology alone does not demolish barriers to justice, and it can exacerbate the risks. The Opposition favour streamlining justice and reducing unnecessary court hearings, and we recognise that part 2 seeks to achieve that, but as the chair of the Bar Council, Andrew Langdon, QC, has warned, the fact that online courts “might encourage defendants to plead guilty out of convenience, when in fact they may not be guilty of an offence, no matter how small, risks injustice.”

We have to be mindful of that. In its briefing on the Bill, the Law Society also issued a caution, saying:

“Although we welcome the introduction of these measures as a way to improve efficiency, there are serious risks associated with them in the absence of adequate access to legal advice. Safeguards
must be in place to ensure that a defendant is aware of the consequences of indicating their plea in writing and the other measures highlighted above."

Online courts, again, present the opportunity for a modern and desirable way of using technology to reduce court hearings and, hopefully, to deal with preliminary matters efficiently. However, the Law Society, again in its briefing, cautions that online convictions should be thoroughly tested and reviewed before being expanded. The Opposition therefore hope the Government will be open to amendments that allow for reviews to take place after a specified time. That would seem sensible. Virtual hearings, procedures on papers only, and written plea and mode-of-trial procedures will all need to be reviewed in time. The Government need to give closer consideration to safeguards, and we will seek to put those in place.

On whiplash, the clauses in part 5 will have come as a relief to many. The Government have backed away from increasing the small claims limit across personal injury, and that is welcome. However, they see a personal injury lawyer lurking around every corner—the Minister with responsibility for courts and tribunals even mistook me for one. [Interruption.] There is a former personal injury lawyer behind me—my hon. Friend the Member for Wolverhampton South West (Rob Marris)—although he has only one job now. However, the Association of Personal Injury Lawyers made it clear in written evidence to the Justice Committee that even "when whiplash statistics are combined with the number of injuries registered by insurers with the CRU"—

the Compensation Recovery Unit—

"as 'neck and back' injuries, there has been",
as I said earlier,

"a significant fall of 11 per cent since 2011/2012."

Profound problems also exist with the tariff system proposed. As the Government have accepted, the amounts they have set out elsewhere are low. However, they are too low, and compensation must be commensurate with the severity of an injury. If those tariffs are taken together with the increase in the small claims limit to £5,000, no victims of road traffic accidents—not only victims of whiplash—would be entitled to recover legal costs where the compensation did not exceed £5,000. That will inevitably deter people from accessing legal representation and deter genuine claims. The Government should consider ensuring that victims of road traffic accidents are able to recover their legal costs.

We have heard repeatedly—this was touched on earlier—that the proposals in the Bill will lead to premiums reducing by as much as £40 a year on average. The Law Society has questioned the accuracy of these figures, saying that the pass rates on which they are predicated are difficult to predict and it is unclear how the 85% savings rate has been calculated. As my hon. Friend the Member for Wolverhampton South West said, it is a matter of evidence—or, in this case, a lack of it. Most obviously, there is no mechanism by which insurers can be made to pass on any savings to consumers. We hear a lot of insults thrown at the British people about a rampant claims culture and people being on the make and on the fiddle, but a lot less about the behaviour of some insurers in failing to defend weak claims and how much the insurance industry is making out of all this. Only a tiny minority of insurance companies have said that they will pass on any savings. The Government need to take action to win those guarantees.

I look forward to the remainder of this debate. As I said, Labour does not oppose the Bill on Second Reading, but we do lament the fact that it lacks so much. I suggest that the Bill itself must transform if it is to transform.

5.51 pm

Robert Neill (Bromley and Chislehurst) (Con): I thank the Lord Chancellor and Secretary of State, as did her shadow, for the courtesy that she has shown to me as Chair of the Select Committee in keeping me apprised of the progress of this Bill. That is very welcome. Although there have been occasions when the Committee has come up with constructive—I hope—criticism or intentions contra to the Government's, the whole ministerial team has always engaged with us very positively. I very much welcome the Bill and the tone of her speech. This is an important Bill because, first, it deals with some very important topics; and, secondly, it is wide enough in scope to merit acting as a framework for further improvement as we go forward.

I will start with, but not confine myself to, prisons, because that is obviously the most significant issue on my right hon. Friend's agenda, and perhaps the matter of greatest concern to the Justice Committee. We have issued a number of reports during this Parliament, as in the previous one, about the situation in our prisons. Let us be blunt: the situation is grim. That is not the doing of my right hon. Friend; it has grown up over a number of years and under the watch of Governments of different political complexities. We now need to tackle it as a matter of real urgency. There is no single reason why we have got into this difficulty in our prisons; a number of factors are involved. Similarly, therefore, there is no single silver bullet as a solution.

The Bill contains a very valuable and worthwhile framework on which to hang a wider suite of reforms. I very much hope that my right hon. Friend will take courage to be bold and radical in those reforms. Conservative Members should not be afraid of being advocates of prison reform, which is a fundamentally important social cause. I am proud to be a member of a party that has a long tradition of advocating social reform running back through Wilberforce, Shaftesbury, and the reforming work of Disraeli's second Administration that was done by Richard Cross, his Home Secretary, and others. My right hon. Friend, who takes on the proposals of my right hon. Friend the Member for Surrey Heath (Michael Gove), follows in a radical Tory tradition that I welcome and for which we should not be afraid to make the case.

Dr Poulter: My hon. Friend is making a valuable contribution. I agree with him about the many merits of this Bill. Does he not agree, though, that it is a missed opportunity to improve opportunities for prisoners and reduce reoffending, because improving and protecting the mental health of prisoners is not mentioned in clause 1?

Robert Neill: My hon. Friend makes a perfectly fair point. I imagine that it will be almost impossible to put every single objective into the Bill, and I suspect that
Ministers will say that the objectives are intended to be broad and overarching, but the issue of mental health in prisons is a most profound and important one, and I would have no objection were it to be in the Bill. Equally, however, the most important thing is the political good will of Ministers in ensuring that it is made a top priority within the framework of the Bill as it stands. I hope that he and I, and others who share our concerns about this across the House, will be able to work hard to make sure that that is delivered, as this is one of the areas of prison reform that we need to tackle.

We are seeking to provide a legal framework. Part of that is in the Bill; the rest is set out in the important measures in the White Paper, which was a very significant and progressive—in the right sense of the word—document.

Dr Poulter rose—

Robert Neill: Let me just make this point and I will give way to my hon. Friend again, because I know of his expertise and interest in these matters.

We need to recognise across the House that we must have the political will to tackle reform. That includes creating a climate of public opinion that accepts that prison reform is not a soft option—that it is done not out of a kind of soft-headed liberalism or do-goodism but for sound and profound social, moral and ethical reasons—and that it brings with it real societal and economic benefits.

Dr Poulter: As my hon. Friend will be aware, the White Paper sets out a whole range of proposals to deal with increasing violence and self-harm, and persistently high levels of reoffending. Given, as he said, the profound connection between poor mental health in prisoners and these issues—including substance misuse, which is often linked with poor mental health—I find it very surprising that clause 1 does not mention improving the mental health of prisoners.

Robert Neill: I suspect that my hon. Friend will return to that topic as the Bill progresses, and there will be other opportunities for others to do so as well. In the course of our ongoing inquiries into prison reform, the Select Committee has taken some evidence on the difficulties in mental health provision. Practitioners from the Prison Service came to give evidence to us very recently. It is certainly a topic that we will return to and that others may well address, even in the course of this debate.

Sir Edward Garnier: My hon. Friend mentioned, correctly, the need for political will. However, if members of the public are asked, individually or on a more organised basis, what they think about the current state of our prisons and what needs to be done within our justice system, they are much more liberal than politicians give them credit for. We need to be braver and get on with this rather than allow ourselves to be pushed around by various disobliging organs of the media who want us to be more and more draconian in the way that we deal with prisons.

Robert Neill: My right hon. and learned Friend for Harborough (Sir Edward Garnier), the former Solicitor General, rightly says, the public are much more alert to headlines and those who pose as the voices of public opinion but in fact seek to be manipulators of it, and to say the truth—that it is in everybody’s interest that we reduce reoffending because the more we do so, the fewer victims of crime there are, and that is in everybody’s interest. That is a good right-of-centre, as well as left-of-centre, case for undertaking prison reform, and we should make it across the House.

Mrs Moon: Does the hon. Gentleman agree that one of the ways in which we could dramatically cut reoffending would be to look at how many people are revolving-door entrants and leavers of prison, not because of criminal intent but because their mental health condition drives them to behave in a way that leads them, inevitably, into the arms of the police—the police are becoming social workers for the mentally ill—and into the criminal justice system rather than into our psychiatric hospitals, which are massively overcrowded and underfunded?

Robert Neill: The hon. Lady, who follows these issues closely, makes a very fair and reasonable point. That is a significant factor.

I practised as a criminal lawyer for the better part of 30 years. I both prosecuted and defended, so I have had no compunction about sending away people who have committed serious crimes. Equally, when I defended people and when I looked at some of those whom I prosecuted during that career, I saw some who were dangerous, unpleasant and, frankly, in some cases downright evil. They deserved to go to prison, and some of them deserved to go to prison for a very long time.

There were others who were weak and stupid, and some who were greedy. Sometimes—particularly for those who were greedy—that, too, deserved punishment, and prison was an appropriate and appropriate punishment. There were also those who were weak or vulnerable, or who found themselves in situations where they were easily coerced. There were people who had made a series of errors in their lives, and others who suffered from physical or mental illnesses or from real social pressures around them.

We have to be much more discriminating and sophisticated in how we deal with defendants in our justice system. Prison does not always work. It works for some people, but not for everybody all the time, and we need to be brave enough to say that in political debate. As my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier), the former Solicitor General, rightly says, the public are much more alert to and realistic about that, and much more willing to buy that argument. We simply need to have the courage to make it.

Philip Davies: I do not know where my hon. Friends go out of an evening or during the day, but I am not sure that lawyers’ dinner parties accurately reflect public opinion at large. Does my hon. Friend accept—it is a fact—that since Michael Howard started the trend of sending more people to prison, the crime rate has fallen? What does my hon. Friend make of that direct correlation?

Robert Neill: To be blunt, I rather suspect that I met a broader cross-section of society in practice as a criminal lawyer than one would meet in the average bookmaker’s. We must be prepared to stand up and challenge stereotypes, wherever they come from on the political spectrum.
We diminish the value of prison if we adopt a knee-jerk approach and say that locking people up and throwing away the key is the best solution in all circumstances. It is the best solution for the dangerous. I had no compunction about saying that those in the Brinks-Mat trial, in which I was involved, deserved to go to prison for a very long time. One was later convicted of a very serious murder, and I thought that they should stay in prison for a very long time indeed. Equally, those who commit crimes to feed drug habits are not served by lengthy prison sentences. More to the point, the public are not served in the long run either.

The real difficulty that we face is that we incarcerate more people per 100,000 of population than virtually any of our western European comparators. That is more than Spain—and more than France, which has demographic, sociological and economic problems and indicators very similar to ours; it is a good comparator, in many respects. We incarcerate more than 140 people per 100,000 of population, while France incarcerates about 98. Our rate of incarceration is practically double that of Germany, a country that is also very similar to us in many other respects. That cannot be because of Germany’s greater inherent criminality, on the part of the British people. It is simply that we do not have a sufficiently sophisticated suite of alternatives to custody to provide robust and publicly credible options, so sentencers often feel obliged to fall back on custody more than they do elsewhere.

The other point to bear in mind is that Germany and the Netherlands, in particular, do a better job of rehabilitating those who are in custody. We know that because their reoffending rates are much lower. I think the Government recognise, as do all other commentators, that short sentences very seldom have a positive effect. The Government are to be commended for saying that not only do we need to look at prison reform, in terms of what happens in prisons, but we need to look at what happens when people come through the gate; at the support that they get within the community; and at what diversionary activities can be established early on when people—particularly young people—come into contact with the criminal justice system, to make sure that they proceed no further down that path. It is an holistic approach, and the Government are right in that regard.

Philip Davies: My hon. Friend is being typically gracious and kind in giving way. Notwithstanding the point that he made, the fact of the matter is that for every 1,000 crimes committed in this country, only about 19 people are sent to prison. That is one of the lowest ratios of any country. Perhaps he can tell us in which countries the ratio of people who are sent to prison per 1,000 crimes committed is lower? That is the best measure of how many criminals we send to prison—not proportion of the population. We send very few criminals to prison per 1,000 crimes committed.

Robert Neill: My hon. Friend perhaps neglects to say that the reporting arrangements are very different in other countries, particularly when dealing with younger people in the criminal justice system. The different diversion work done in those countries does not allow for that kind of correlation.

I am not just talking about Europe. A number of states in the United States—we do not always think of them, particularly in current circumstances, as beacons of social progressiveness—are more effective than we are at rehabilitation, meaningful community penalties and reducing recidivism. Some of that work, I might add, has been carried out on the watch of Republican governors. There is often a value-for-money case for imprisoning fewer people, as well as a social outcomes case. We ought to be prepared to make the case for prison reform as an important objective of any Government.

To return to the thrust of my argument, the Bill is an important step in achieving such reform. Of course, there is a lot more that we need to work on which is not in the Bill. The statutory purpose of the Bill is a good one. I understand the point made by my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) about what, specifically, should go in it, but I think that its overarching purpose is correct. The balance between the safety of the public and the inmate on the one hand, and reform, rehabilitation and improvement on the other, is the right set of principles to have.

New duties on the Secretary of State are important. I suspect that they probably are justiciable; none the less, it is important to have proper accountability mechanisms. The new power for the chief inspector of prisons—the right to a response to his reports—is especially important. The current chief inspector, Peter Clarke, is an excellent appointment. I had the privilege of shadowing his team while they carried out a prison inspection—it happened to be at the prison local to my right hon. Friend the Justice Secretary, in Norwich—and I saw how thorough and professional they were.

As my right hon. Friend and the prisons Minister know, and as we in the Select Committee know, one of the chief inspector’s great frustrations is the fact that in some cases, the bulk of his recommendations—not just a few, but sometimes an overwhelming majority—are not taken on board. It is important he can make sure that they are taken on board, and that a proper reason is given if they are not. Too often, his recommendations are repeatedly ignored by the same serial-offender prisons. This is an important legal step, which underpins progress.

The point has already been made about the prisons and probation ombudsman, and I agree with it entirely. These are important and welcome measures, as far as the prisons dimension is concerned, as are those to do with new psychoactive substances and interference with mobile phones. They are all important steps forward.

In the rest of the Bill, the modernisation of court proceedings is important and valuable. As the Bill progresses, I hope that the Government will bear in mind some of the caveats raised by practitioners, such as the Bar Council, the Law Society, the Criminal Bar Association and the Criminal Law Solicitors Association, to avoid unintended consequences. When dealing with things that might give rise to a conviction online, it is important for people to have the resources necessary to make an informed decision in relation to the plea, the means of election and so forth. Having such access will be important. This could be a very useful tool, and I know that the judiciary believes that it can be a good tool, but it is important to have informed decisions, and making guilty pleas online is an obvious example. Similarly, there is often a good case for having virtual hearings, but we need to make sure it does not drift into being the default position. We would obviously not have that for a trial, but we can think of other forms of interlocutory
proceedings in which physical presence is appropriate, and we must make sure that we do not have too much of a broadbrush approach. However, the principle is good, and I have no problem with it.

On the whole question of dealing with the abuse of litigants in person in family cases—chapter 8 of the explanatory notes—I think the case is accepted across the piece. Such a system has worked well in the criminal jurisdiction for many years. When we set up in regulations the system of how this will work, I hope there will not be an attempt to over-complicate or over-engineer it. I urge my right hon. Friend the Secretary of State to take the criminal system and, as far as possible, lift it across with adjustments, which seems the sensible way to do it. Practitioners have made the point that when advocates are asked to take on such a role—in effect, on behalf of the court—they often take on a heavy burden. The instructions can be detailed and complex, and in my experience of such cases they frequently change depending on the nature of the person being dealt with, so the task is not easy. I therefore hope that rates of remuneration will not be any worse than in the criminal jurisdiction, because it is important to get good people to undertake this work.

Judicial appointments, which are important, have been mentioned. It is also important to bear in mind that leadership roles should be recognised, given the difficulty we have at the moment in recruiting proper High Court judges.

Moving on to part 5 on the whole question of whiplash—I will finish on this point—I do not think we can pretend that there is not an issue. The Select Committee has already heard evidence on this, and we will want to take more. Nobody can reasonably pretend that there is not an issue about whiplash, although there are disputes about whether the evidence base is strong, as was apparent in our hearings. I am glad that the Government have taken the step of moving to a system of tariffs, rather than having an outright prohibition on general damages. However, we will need to consider the devil in the detail in relation to the definition of whiplash in clause 61 and its subsections. At the moment, there is an ouster of the tariff system for breach of statutory duty, but, as practitioners have raised with me, one can of course envisage a number of circumstances in which it is possible to plead both negligence and a breach of statutory duty as alternatives. It might be self-defeating if we get an industry of people always seeking to put in an alternative head of claim to take it immediately out of the pure negligence category. Some careful drafting may be needed to look at the practical effects as far as that is concerned. Above all, we must not allow this to cause us to take our eye off the ball of the abuse by claims management companies. Good work is already being done by the Ministry and the Information Commissioner’s Office, but a lot of the problems stem from the work of the claims management companies, and it is important to look at that.

On that basis, I wish the Bill well. It is an important and valuable Bill. I am sure we will have lively and constructive debates, and I hope that I and other members of the Select Committee will, as appropriate, endeavour to assist the Government in making a good Bill better. I wish it well in its passage through the House.

Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. To be helpful to Members, let me say that 19 Members wish to speak. We have roughly worked out that if you restrict yourselves to about 10 minutes, it should not be necessary to put on any time limit.

6.14 pm

Ms Harriet Harman (Camberwell and Peckham) (Lab): The Bill gives the House, the Secretary of State and her prisons Minister the chance to do something that should have been done a long time ago, but that is now urgent, which is to end the death toll of suicidal mentally ill people who take their own lives in our prisons. When the state takes someone into custody, we have a duty to keep them safe—their life becomes our responsibility—yet prisons are not a place of safety. Last year, 12 women and 107 men took their own lives while in prison in the custody of the state. This Bill affords us the important opportunity to change the law to prevent these tragic deaths, and we must seize that opportunity because the problem is urgent and growing.

We all know that the issue of prison reform is not one that brings people out on to the streets, or that tops the agenda at election time. Unfortunately, I wish I could agree with the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill)—I did agree with much of his speech—but I think that when it rises up the agenda, it is usually not in the cause of liberalising prison regimes, but because of demands to make them more draconian. That makes the job of the Secretary of State and the prisons Minister, in any Government, particularly challenging, and it is why, where possible, a cross-party approach is important. It is also why the Committee that I have the honour to chair, the Joint Committee on Human Rights—it is cross-party and composed of members from both this House and the House of Lords—is conducting an inquiry into suicides in prison.

Every single one of these deaths is an absolute tragedy for each individual and their family. Mark Saunders, the father of Dean, who took his own life, told our Committee earlier this month that “we do not have capital punishment in this country but” when Dean was sent to Chelmsford prison, he was sentenced to death. So, too, for Diane Walpton, whose mother and aunt came to Parliament to give evidence to our Committee: her suffering had been so intense that, to harm herself, she set fire to a mattress while in a secure hospital, and the response was to send her to Peterborough prison, where she took her own life.

The tragedy of suicide in prison is not new, but, as the Government acknowledge, it is worsening. Last year, the number of self-inflicted deaths rose by 32%. It is not a new problem or even one where no one knows what to do. Over the years, there have been numerous weighty reports to which Members of this House, Members of the House of Lords, judges and many others have contributed. They have analysed the problems and mapped out solutions, and successive Governments have welcomed their proposals, changed policy and issued new guidelines, but nothing changes, except the death toll, which rises. In 1991, we had the Woolf report; in 2007, the Corston
report; in 2009, the Bradley report; and in 2015, the Harris report. It is not that we do not know what needs to be done; it is just that we have not done it.

We must recognise reality. There is no point in having more reviews, new policies or new guidance; we must make sure that the changes we all know are needed actually happen in practice. For that to happen, we need a legal framework that will ensure that the necessary changes take place because they are required by statute. Reports, guidance and White Papers are not enforceable and are not enforced, but the law is. The Bill is the opportunity to put into law the changes highlighted by the countless weighty reviews and inquiries.

The inquiry by the Joint Committee on Human Rights is still ongoing, but because the Bill is now before the House, I want to ask the prisons Minister to consider including new clauses to put the following proposals into law. There should be a legal maximum for the number of prisoners per prison officer. When there are not enough staff—sometimes just two prison officers on a wing of 150 prisoners—prisoners remain locked in their cells. Medical appointments and educational sessions are missed. They do not get to see the nurse for their medication. Calls for help go unanswered. Prison officers do not have the time to unlock prisoners for exercise, let alone sit down and get to know them. In the vacuum, the worst prisoners take charge. Staff become demoralised and defensive, prisoners angry and frightened, and the most vulnerable at risk.

We can either cut the number of people going to prison or increase the number of prison officers, but the Government have been cutting the number of prison officers while the number of prisoners has increased. We can see a clear correlation between the falling number of prison officers and the rising number of prison suicides—I put the graph, which shows this very clearly, on a tweet just now. Unless the prisoner to prison officer ratio changes, the death toll will continue to rise. We have an opportunity to put into the Bill a legal maximum prisoner-prison officer ratio.

There should be a legal maximum time in which a prisoner can be locked in their cell. The Government agree that there should be a maximum time—it was in their response to the Harris review and it is in their White Paper—but it does not happen. A legal obligation is required to make sure that it does.

There needs to be a legal obligation for the Prison Service to ensure that each young or adult prisoner with mental health problems has a key worker, whether a prison officer or someone else. What matters is that there is an individual who takes responsibility for bringing together all the information from the different services inside and outside the prison, and, crucially, that there is someone to liaise with the family. That is in the White Paper, but I say to the Minister that unless it is in the Bill it just will not happen. It will remain nothing more than a good intention.

Unless there is a specified reason that it should not be the case, the relatives of a suicidal prisoner should be informed of, and invited to take part in, the safety reviews, or ACCTs—the assessment, care in custody, and teamwork reviews. Of all the people involved, the family knows the prisoner best and care about him or her the most. The family of Dean Saunders told us that far from being given the chance to contribute to the reviews of the measures to keep him safe, it was not until the inquest that they actually found out that in the two-and-a-half weeks he had been in prison there had been eight reviews conducted by staff who did not know Dean or anything about him.

There needs to be a legal obligation to ensure that all young offenders and suicidal prisoners are able to call a specified and approved member of their family. One of the most frightening things for a prisoner suffering the misery and fear of mental illness is being out of touch with their family. A desperate, confused and terrified mentally ill prisoner cannot stand on a wing queuing for a phone, and cannot find their way through PINs or getting permission. Phone technology is perfectly advanced enough now for there to be a system for suicidal prisoners to be able to call home.

Where a prisoner needs to be transferred to a mental hospital, there should be a legal maximum time limit between the diagnosis and the transfer. If a prisoner is regarded as so ill that they cannot stay in prison and they need to be moved to a secure hospital, that must happen right away. Under Mental Health Act 1983 guidance, that is supposed to be no more than 14 days, but it often takes many months. The maximum time limit should be laid down in law.

If the Minister says that these six measures are too detailed and specific to be in law, I say: look at the law that applies to education and health, where we find legal provision for maximum staff-child ratios and legal time limits for referral for health treatment. If it is good enough for education and the health service, why not for our prisons? If the Minister says that these issues do not need to be in law, or that they can be or already are in guidance, I say: we have done that over and over again and it has not worked. It is now time to put them into law. If the Minister says that these issues are more suitable for regulations than for being on the face of the Bill, I would have no objection. Whether they are in primary or secondary legislation is not what matters; what matters is that they should be put into law.

I know exactly what the Minister’s civil servants will say when he goes back to his Department. They will say it is unnecessary or that it cannot be done, but I ask him most sincerely to reflect on this point. Being a prisons Minister is a great responsibility and a great privilege, and I know that he is committed to his ministerial role, so I hope he will resist the voices who will urge him to do no more than preside over this wretched status quo. I ask the House to help the Minister to do what needs to be done by putting new clauses into the Bill.

Nothing will bring back Dean Saunders and Diane Waplington, whose heartbroken families gave evidence to our Committee, or any of the other 12 women and 107 men who killed themselves in our prisons last year alone, but we in this House and the Minister have a chance to make the Bill a turning point where we stop talking about the problems that are costing lives and take action. As prisons Minister, he more than many other Ministers has an opportunity to make a difference and to save lives. I hope he will seize that chance. We must make sure that he does.

6.26 pm

Mr Jonathan Djanogly (Huntingdon) (Con): I congratulate Justice Ministers on bringing forward this very competent Bill. I very much appreciated the helpful and
informative briefings on, and technology demonstrations for, the proposed court reforms that were organised by my right hon. and learned Friend the Minister for Courts and Justice. In many aspects of prisons, court and litigation policy, the Bill moves the debate forward in a generally pragmatic and rational way. If I have any overall concerns, they relate not so much to the Bill’s general content, but to the need to give fuller context to some of its clauses. This I intend to do in relation to a few of its measures.

On whiplash, we need to keep in mind that the proposals in part 5 are a continuation of the policy held since 2010 to reduce a compensation culture that has had a detrimental impact on our society. In Justice questions on 7 March and again in this debate, the shadow Minister, the hon. Member for Leeds East (Richard Burgon), seemed to question the existence of a compensation culture. Frankly, I thought that we had positively proven that that was an issue at the time of our consideration of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, but it seems that the situation now needs to be re-explained. Before LASPO we noticed, as my hon. Friend the Member for North West Cambridgeshire (Mr Vara) pointed out, that although accidents had fallen by a quarter, claims had increased by a third. That unacceptable position led us to instigate a series of incremental measures with the aim of reversing that trend.

The key problem originated from the dynamic created by the no win, no fee provisions of Labour’s Access to Justice Act 1999, which had put in place an unreal marketplace. To cut a very long story short, due to the workings of Labour’s Act, the interest of the client in their advocate’s fees had become detached. That was because the client would never directly have to pay any of the fees, so it followed that they would not care what those fees were. The situation was stoked by claims farmers and aggressive cold callers. This was a further example of Labour supporting a something-for-nothing system, and that system put constant upward pressure on fees and thereby insurance premiums.

In LASPO, to counter that, we ended the recoverability of success fees and after-the-event insurance premiums from the losing defendant. We then moved on to ban referral fees, and to address spam texting and cold calling by claims handlers and their agents. We also toughened up the regulation of claims handlers. The overall impact of the changes was considered to have reduced insurance premiums by some 25%. However, it is vital to keep an overall picture of what is a complicated situation. For instance, the Association of British Insurers considers that some 1% of whiplash claims are fraudulent, meaning that criminal sanctions also play a part in dealing with this issue. The fraud figure used at the time of LASPO was over 5%, so I will be interested to hear from the Minister whether he believes that insurers and prosecutors have now got the message and upped their game by taking more fraudsters to court. However, I am not convinced that the problem of illegal cold calling has yet been resolved, and I would be interested to hear whether the Minister has any further proposals in this regard.

Another important aspect is the small claims limit for personal injury cases, which is frankly well out of date. To those who are complaining about the proposals, I would say that the fact that this measure is being taken up now, rather than when it was first considered in around 2012, shows how cautious the Government have been to take one step at a time. I fully support the Government’s proposal to increase the road traffic accident-related personal injury small claims limit to £5,000, which will encourage more thought before cases are taken. Will the Minister please confirm whether mediation will be a requirement for consideration, as it is for general small claims, or will the use of a tariff not require this?

I am surprised that the Government propose to increase the limit for all other personal injury claims from £1,000 to only £2,000, rather than £5,000. My understanding was that if only inflation were taken into account, the limit would increase to above £3,000. I appreciate that the change to the small claims limit is a matter for secondary legislation rather than the Bill, so I hope that the Government might reconsider this level. I recall putting up the general small claims limit from £5,000 to £10,000, and what was generally seen by lawyers at that time as something that would hurt their businesses has been very successful in practice.

The compensation culture tag is not one that I would attach to seriously injured accident survivors who need complicated legal help, but rather more to the mass of whiplash claims that involve an injury duration of less than two years and are currently waved through to settlement by insurers who do not want the cost or bother of dealing with each small claim. The average compensation for a six-month injury duration is £1,850. This is why I fully support the Bill’s proposal that the tariff should be based on injury duration, but if that proposal is not to be taken advantage of, a better system for organising medical reports is needed. At the moment, offers to settle can be made without medical reports, even though changes were made in 2014 to encourage more thought before cases are taken. Will the Minister please confirm whether mediation will be a requirement for consideration, as it is for general small claims, or will the use of a tariff not require this?

A related area that I understand is contributing to the increase in insurance premiums relates to the cost of so-called free hire cars for accident victims. Is the Department looking at that?

The overall insurance premium saving attributed by the Government to these proposals is £40 per year. However, I agree that that message has been somewhat diluted by insurers, who are saying that the proposed reduction of the discount rate applicable to personal injury lump sum compensation payments to minus 0.75% will result in a significant increase in premiums of up to £75. I appreciate that the law, not the Lord Chancellor, sets the discount rate, and I am pleased that the Government are consulting on an alternative framework, but one wonders why the consultation could not have been handled with the Bill. Having said that, it is certainly the case that, through this Bill, the Government are continuing the incremental fightback against the compensation culture, which I think is a very good thing.

Mrs Moon: I understand the hon. Gentleman’s points about the whiplash culture, but does he appreciate that the Bill does not cover the ability of rogue solicitors to pursue false claims against individuals who have not
been involved in car accidents? Those solicitors claim that they have, and that people have been injured. An elderly couple in my constituency were harassed terribly, and although there was no evidence of injury, the solicitor pursued the claim. The court threw it out, but the Solicitors Regulation Authority would not look at the matter at all.

Mr Djanogly: I totally agree with the hon. Lady. Fraud is an important part of the overall situation, but the criminal side is not dealt with in the Bill. I asked the Minister earlier if he would address that issue. At the time of LASPO, it was considered that 5% to 7% of claims were fraudulent. The latest ABI information I have seen is 1% or perhaps less, which would suggest that there has been a dramatic improvement, but I will be interested to hear whether the Government accept that and what they are going to do about the 1%, if that figure is accurate.

The Bill also sets out a wide variety of proposals for case management and the operation of the courts, all of which will, taken together, make for a much more effective, modern and technology-friendly system. Of course, the fact that the Government propose to invest £1 billion in the courts will do much to ensure that they remain world class. There will be fewer courts, but a much better service—by 2022, I understand. I hope that some of the money will be used to simplify processes and facilitate non-lawyers’ ability to navigate the system. Will the Minister indicate where the Department has got to on using technology to assist litigants in person?

Technology was often disregarded in the past because people did not think that its use would deliver justice as effectively as turning up in person. I would suggest that that view is very out of date, particularly with respect to younger people. Indeed, we are moving to a situation in which most crime is likely to be carried out online, so I welcome proposals such as having automatic online convictions with statutory standard penalties for a few criminal offences. I hope that that will shortly be reviewed with the aim of extending the range of offences. Likewise, enabling claimants to recover money owed up to £25,000 entirely online will save time and will certainly help small businesses.

The extension of the use of virtual hearings is to be commended in terms of not only protecting the vulnerable from those accused of certain crimes, including rape, but making justice cheaper and more efficient. How much better will it be to have the police brought in online from their stations, rather than their hanging round the court waiting for cases with nothing else to do? Having said that, I appreciate that we will need good procedural rules so that trials are kept fair.

In some ways, the technology is still being developed. I spoke recently to a criminal district judge who said that he was all in favour of court cameras, except when they did not work, which was all too frequently for his liking. Apparently, private companies that deal with bridging link-ups act strictly to timetables that sometimes do not tie in with those of the courts. Will such practical issues now be ironed out? Of course, that will become more relevant because the Bill proposes that criminal cases could be conducted virtually, whereby all court participants join the hearing through a live link. The proposal to balance tech developments with the ability for the public and media to view virtual courts online is a good safeguard and a modern re-assertion of the old principle that justice needs to be seen to be done.

I note the proposal to reorganise the magistracy and make it a unified judiciary. It is exactly right, and will provide an adaptability similar to that given when the county courts were unified. It will actually enhance the concept of the magistrate as a nationally qualified judge rather than as a person tied to a particular bench.

This is a worthy Bill. It will do much to move our justice system into modern ways of organisation and efficiency.

6.37 pm

Mr David Hanson (Delyn) (Lab): I shall focus on a number of points in the Bill. As my hon. Friend the Member for Leeds East (Richard Burgon) said in his opening remarks, the Labour party will not oppose the Bill, but that does not mean that we cannot take steps to try to improve it and to get clarity from Ministers about what the Bill means in practice and what its impact will be.

Like the Minister, I support the aims of clause 1, which says that prisons are intended to “protect the public... reform and rehabilitate offenders... prepare prisoners for life outside prison, and... maintain an environment that is safe and secure.”

Nobody can disagree with those objectives, but, as my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) said in her excellent speech, the prisons system faces a number of challenges. Those challenges have not come from nowhere; they have come from deliberate decisions—from Government policy—and the Bill provides an opportunity to at least look at them, and, potentially, to rectify them.

My right hon. and learned Friend the Member for Camberwell and Peckham covered some of the statistics, but they are worthy of repetition. It is now the case that 76 of the prisons in our estate—some 60%—are overcrowded, and have been deemed to be overcrowded by the prisons inspector. We have seen an increase of 39% in the number of deaths in prison custody over the last year, while there has been a 32% increase in self-inflicted deaths. There has also been a massive increase—22%—in the number of self-harm incidents reported. We have seen an increase in the number of assaults by prisoners on staff and on fellow prisoners. There has been an increase in the number of psychoactive substances found in prisons. There has been an increase in the number of mobile phones found in prisons, and, therefore, an increase in the number that are getting into prisons. Sadly, as we heard from my right hon. and learned Friend the Member for Camberwell and Peckham, there has been a reduction of some 6,335—26%—in the number of prison officers in the past seven years.

I believe that those facts are linked. We have fewer prison officers and the same number of prisoners—prisoners who, for a range of reasons, are more difficult and more challenging and, in many cases, have been convicted of more violent offences. The reduction in prison officer numbers has a real impact on the other statistics. While I do not object to the aims of clause 1—indeed, I support them—I think that we need to think about what they mean in practice, and about how the White Paper is linked to them.
[Mr David Hanson]

In what was, as I have said, an excellent speech, my right hon. and learned Friend the Member for Camberwell and Peckham made some positive suggestions about clause 1. The amount of time spent in cells is extremely important, and we should also think about how to establish mechanisms for the recognition and support of people with mental health problems. I would add two issues to her list: family links and distance from home.

In the past 12 months, I have dealt with two constituency cases—quite apart from my work as a member of the Justice Committee—invoking people in prisons in the Isle of Wight and Norwich respectively. Let me explain to those who are not familiar with the geography that the Isle of Wight is 273 miles from my constituency—an 11-hour train journey—and that travelling to Norwich takes six hours by train or a four-and-a-half-hour drive. If one of the key purposes of the Bill is reform and rehabilitation, contact with family is surely critical to that achievement.

Sir Edward Garnier: Could not those two examples be replicated, but to an even worse degree, in the case of young offenders? Obviously there are fewer young offender institutions than prisons. Youngsters are bussed around in the back of sweatboxes for hours—for hours and hours after court hours—and often do not reach their destination until nearly midnight. That is not a good way to rehabilitate anyone.

Mr Hanson: I agree, but we both know that such problems are not easy to solve. Central to today’s debate is the question of what we can do in the context of the Bill. As I have said, I would add the question of family links to the list given by my right hon. and learned Friend the Member for Camberwell and Peckham. I was prisons Minister for two years and one month. It is a difficult job, and it is difficult to change policy, but we have opportunities to consider these matters. I hope that the Minister will reflect on them in Committee, and will think about how clause 1 can be strengthened in order to achieve its objectives.

The Justice Committee welcomes the fact that clause 2 puts Her Majesty’s inspectorate of prisons on a statutory footing, and we consider the statutory recognition of the inspectorate’s role in visiting places of detention to be a positive development. We are pleased that the chief inspector of prisons will be required to have regard to the new statutory purposes of prisons. I am particularly glad that the Government will have to respond to the chief inspector’s recommendations within 28 days if the matter is urgent, or within 90 days in the case of a general inspection, and that there will be scrutiny of inspection powers. Clauses 4 to 20 put the prisons and probation ombudsman on a statutory footing, and we welcome that as well.

The Government accepted the Committee’s recommendation that the HMIP protocol should be finalised, and said that they would produce a final version before Second Reading. The Committee was consulted on the draft protocol in January, but as far as I know no final protocol has been agreed or published. I think it important for it to be published as soon as possible so that we can develop it accordingly. It was more than a year ago that we recommended a protocol on the relationship between the inspectorate and the Ministry, and we need to know what that relationship is.

Whiplash poses a challenge for the Minister and the Government. The Committee heard evidence from the Association of British Insurers and from the association of legal professionals who deal with whiplash cases. Because we have not been convinced by the Government’s case to date, we have established a follow-up inquiry—as the Minister is doubtless aware, it was announced last Friday—to call for evidence on whiplash. The terms of reference for our fuller inquiry include the definition of whiplash and the prevalence of road traffic accident-related whiplash claims, considering whether fraudulent whiplash claims stack up and whether the provisions in part 5 introduce an effective tariff to regulate damages for RTA-related whiplash claims. In particular, they include consideration of the impact of raising the small claims limit to £5,000 for RTA-related whiplash claims, and—this is not in the Bill, but it is directly linked to it—raising the small claims limit to £2,000 for personal injury claims more generally. They also include consideration of the role of claims management companies, which have not been touched on to date.

The challenge for the Minister, in Committee and on Report—and I hope that the Justice Committee will influence those debates—is to convince us that his policies, established on a cross-party basis with the Committee, will meet our objectives. The claims that the Government have made about savings being passed on to motorists and about the level of fraud in the system have not yet been tested to my satisfaction or that of the Justice Committee, which, it should be remembered, has a Conservative majority.

The Government’s consultation paper sets out no rationale for including employment injuries in what is billed as a reform of whiplash claims. I wrote to the Lord Chancellor last week, and was told that the employment injury aspects would be dealt with by a statutory instrument following completion of the whiplash measures in the Bill.

Sir Oliver Heald: The aspect of whiplash that is in the Bill is the tariff, along with the judge’s ability to enhance it by 20%. However, there is an entirely separate secondary legislation route whereby the small claims limit can be raised. It could be reduced, of course, but that is not happening in this instance.

Mr Hanson: I appreciate that. I have said to the Minister that the other aspects are not in the Bill. However, I sense that they are linked in that the Government’s approach to whiplash will be linked with their approach to tariff levels.

Sir Oliver Heald: The point is that the small claims threshold is being raised to £5,000 for road traffic-whiplash related cases and to £2,000 for other cases.

Mr Hanson: I am fully aware of that. What the Minister needs to know is that the Justice Committee believes that there is still a tangential link between two matters, which is why it is considering the whiplash provisions in the Bill together with employment levels. We are very conscious that, as well as the potential examination of the Government’s case in regard to
whiplash, there should be an examination of their case in regard to industrial and employment injuries. There are myriad cases—I have no time to list them now, but I shall do so on another occasion—in which industrial injury claims would be detrimentally impacted by the change in the limit, and while that is not directly in the Bill—

Sir Oliver Heald: It is £2,000.

Mr Hanson: The Minister does not work in the same spheres that I work in; people in my constituency depend on that level of employment injury support to ensure that they get justice at work. We will return to that at a later stage. The Minister is looking quizzical; he will have an opportunity to come and explain his proposals and those on whiplash to the Justice Committee in due course.

The Bill’s direction of travel can and should be supported. However, the beef of this Bill is what really matters. There are measures that the Government can take to improve it, and to reduce the poor indicators that have been growing in disparity over the last few years, and not just in staffing. They should also consider issues such as those raised by my right hon. and learned Friend the Member for Camberwell and Peckham and those that the Justice Committee asks the Government to look at again.

6.50 pm

Mr Shaiлежа Vara (North West Cambridgeshire) (Con): It is a pleasure to follow the right hon. Member for Delyn (Mr Hanson), who had a distinguished ministerial career and speaks with considerable authority in this House. I also refer Members to the Register of Members’ Financial Interests, in which it is stated that I am a non-practising solicitor.

I welcome the Bill. I firmly believe that we have one of the finest, if not the finest, legal systems in the world, and the measures in this Bill will ensure that we can maintain our pre-eminent position in the global legal system.

I shall begin by making some comments on the court reform proposals. It is important to recognise that when we talk about access to justice we do not mean access to, and being in, a physical building called a court. I had that argument with many colleagues when I was the Minister in charge of courts and had to convey the bad news that many courts were to close—indeed, my hon. Friend the Member for Huntingdon (Mr Djanogly) had to do likewise a few years beforehand. Effectively, this Bill fulfils what we said then—that there are different ways of accessing justice and courts.

I always remember what an African Justice Minister once said to me. He said that he wanted a justice system in his country whereby the people living in the villages outside the capital city could access justice through their smartphones. The world is moving on, and it is good to see that we are keeping pace with the technology that goes with that.

I particularly welcome parts 2 and 4 of the Bill, which deal with the court reform measures. In the past, the legal system has concentrated rather too much on process and procedure, but I am very pleased that this Bill puts the court user centre-stage and ensures that we have a system that is good for them. The changes will mean that the public who use the courts will not necessarily have to spend huge amounts of time, at huge cost, or indeed have to spend their time physically waiting and hanging around in a court.

The Bill provides for court dealings to be carried out by audio and video links, and to have virtual hearings, where no parties are present in a courtroom, but instead attend by telephone or through video-conferencing facilities. The provision for evidence to be given by video links is good for victims and witnesses, particularly vulnerable witnesses, and it has to be right that prisoners can give video evidence while staying in prison, rather than expending the time, effort and cost of transporting them to and from courts—which, incidentally, often leads to delays when they get caught up in traffic. This modern way of using video-conferencing facilities also means that witnesses can easily give evidence when overseas, and that lawyers do not have to hang around outside the courtroom waiting forever and a day until they get their 10 minutes before the judge, for instance for a bail application. The barristers and judges can now stay in their chambers and the solicitors in their offices, and they can simply book a time when they can all speak and have their 10-minute conversation and the bail application can go through.

The Bill proposes that where there are low-level offences—and the majority of offences are low level—and offenders are charged with summary-only, non-imprisonable offences, such as fare evasion or not having a TV licence, and where there is a guilty plea, they can be convicted and given standard penalties by use of an online procedure. Effectively, this means that people have the luxury of being able to use their smartphones from their sitting rooms to get access to justice. Of course, it is important to recognise that for people who plead not guilty the majesty of the court remains; they can have their court cases in the usual way.

I welcome the proposal that in civil cases for claims up to £25,000 there will be simple online hearings, although it is important to recognise that some of those cases might need to go offline and to follow the usual process. I am pleased that the Bill provides for that, and I very much hope that, despite the surge towards technological advances, we keep that option, and that where, for whatever reason, a case needs to be dealt with in the usual way, that will be done. We also at present have very complex forms full of legal language that are very difficult for the lay person to deal with. I hope that as we use new forms and go online, the justice system will take the opportunity to make those forms easier and far more user-friendly. I also hope that the Minister will recognise that not everyone uses modern technology. Some people cannot use it—for example, the elderly or some people who are disabled. I hope the Minister will be able to give us an assurance that those people will retain the opportunity to speak by phone to a person or indeed have a meeting, as is necessary, because otherwise we will be denying some people access to justice.

I also urge the Minister to ensure that the technological advances that we employ do not remain radical very soon. Advances in technology are so fast that millions of pounds can be spent on a system that becomes outdated in a year or two. I hope he will ensure that his civil servants try to introduce a
technological system that allows for easy adaptation to more modern systems as and when they arise, and at a cheap cost.

Part 4, along with schedule 15, deals with the judiciary and the Judicial Appointments Commission, and there are various references to senior judicial appointments. I wish to make a general point on appointments. To be absolutely clear, I believe, as do most people, that all judicial appointments should be made on merit. That is crucial, but, that being said, it is also fair to say that we still need to make serious advances in the numbers of women, disabled people, people from ethnic minorities and people from a variety of backgrounds who hold senior judicial positions. I hope that the Ministry of Justice, the judiciary and the JAC will ensure that we continue to have a judicial system that is reflective of the country at large.

Sadly, there are still people who believe that the old boy network is the way for people to get promoted to senior levels. For them, it is about whether someone belongs to the right dining club or golf club, and whether they went to the right school and university. Some people simply do not put their names forward for senior positions for that reason. Of course advances have been made, and I hope that we will continue to persuade good candidates to put themselves forward even if they believe that they will not get through because of the old boy network.

I particularly welcome clause 21, which will allow public communications providers to block the use of unauthorised mobile phones in prisons. Frankly, it is absurd that this has not been done earlier; it is high time that it was done. I also welcome the provisions in clause 22, which will allow more powers to test for psychoactive substances in prisons, so that prison authorities will be able to respond more quickly to new drugs.

People are sent to prison because they have to be punished, but we all recognise the importance of a regime of education and training to enable those individuals to play a useful role in society when they come out. We rightly talk about education and training, but we should talk just as much about the health of those prisoners, and particularly about their mental health. Colleagues on both sides of the House have made reference to mental health, and I hope that the Minister will be able to assure us that he will look into that issue and ensure that people in prison suffering from mental illnesses and who are genuinely unwell get the treatment they require. I welcome the Bill, and I am particularly pleased that—notwithstanding our differences across the political divide—we agree on a great deal. I wish the Bill well as it progresses through to receiving Royal Assent.

7.2 pm

Kate Green (Stretford and Urmston) (Lab): I, too, welcome much of the Bill. I am pleased to follow the hon. Member for North West Cambridgeshire (Mr Vara), and I particularly endorse his comments about judicial diversity. This is a far-reaching Bill, although we have to infer quite a lot of the detail from the White Paper, particularly in relation to prison reform. As others have said, the Bill is relatively thin on detail.

I welcome the establishment of a new statutory purpose for prisons, but I also hope that there will be opportunities to strengthen and extend it as we take the Bill through this House and the other place. The Prison Reform Trust has suggested that the statutory purpose should make exclusive reference to standards of fairness and decency. Given the problems in our prisons today, including the exceptional amount of time that prisoners are spending in cells and not engaged in purposeful activity, the disturbances that have put prisoner and staff safety at risk, and the appalling mental health of many of those in our prisons, I strongly endorse the need for a purpose that captures those elements of fairness and decency.

Like many hon. Members who have spoken today, I want to talk about the need for good mental healthcare in prisons. According to the Royal College of Psychiatrists, at least 3% to 4% of prisoners have a psychotic illness; 10% to 14% have a major depressive illness; and up to two thirds have a personality disorder. Many prisoners are so unwell that prison is utterly the wrong place to treat them. This has been starkly brought home to me when handling a constituency case over the past few months. That case has really shown that the system is not working to ensure that prisoners’ mental health is paramount. It involves a young man accused of very serious offences who has been on remand in Manchester prison since before Christmas. He is seriously psychotic, and prison is not the right place for him to have been sent to, yet still, four months on, no secure hospital bed has been found where he can be securely and appropriately cared for. I therefore strongly endorse the call by my right hon. and learned Friend the Member for Camberewell and Peckham (Ms Harman) for statutory time limits in the Bill for the length of time that someone who is so unwell can be kept in prison. We need to take that important measure to ensure that parity of esteem between mental health and physical health exists in our prisons as it does in the wider healthcare system.

We also know that women in custody have a high incidence of mental health problems. This year, we mark the 10th anniversary of Baroness Corston’s seminal report on women in custody, and this is a real opportunity for us to make a step change in the way in which we deal with women in the penal system. The Justice Secretary has said that she intends to bring forward a strategy in relation to women in the next few weeks, and I very much look forward to debating it with the Government. I hope that Ministers will take this opportunity, and not simply build more new women’s prisons that are far from home and too large to provide the right regime for their particular needs. Baroness Corston identified the need for small, local, secure units—not prisons—that specifically cater for the needs of women. This is a once-in-a-generation chance for Ministers to transform the nature of the women’s prison estate, and I really hope that they will not miss the opportunity.

I am also concerned that the Government seem intent on building new large male prisons, such as Berwyn, which I understand is to have a population of 2,000 prisoners. However, there is a lot of evidence of smaller prisons doing better, according to the Centre for Social Justice, the Prison Reform Trust—which found that prisons with fewer than 400 prisoners were more likely to perform well than those with more than 800—and the National Audit Office, whose 2013 report showed that the smaller prisons achieved better internal performance ratings.
We do not know whether there is a difference in reoffending rates for small and larger prisons, and I would be grateful if anyone in the House enlightened me on that. If we do not have the information, however, I strongly urge Ministers to conduct a programme of research to help us to understand that.

My right hon. Friend the Member for Delyn (Mr Hanson) went into some detail about the importance of family contact, which incarceration a long way from home naturally makes more difficult. According to a 2008 study for the Ministry of Justice, family contact of family contact, which incarceration a long way from home naturally makes more difficult. According to a 2008 study for the Ministry of Justice, family contact reduces recidivism by 39%, which is a substantial reduction. A joint report by Her Majesty’s inspectorate of prisons and the Youth Justice Board found that boys who suffered from emotional or mental health problems were less likely usually to have a visit at least once a week from family or friends than those without mental health problems, yet half of women and a quarter of men on remand receive no family visits. Concentrating prisoners in larger prisons, further from home and covering large geographical areas, is going to work against the family contact that can make such a difference.

Mrs Moon: I totally endorse everything that my hon. Friend says. She sets out the tragedy of the difficulties that women in prison face in maintaining family contact. Their children often end up in care or being farmed out to family members who cannot travel long distances. In particular, for Welsh women, children have to travel to England to see their mum in prison. This damages the family cohesion that is so vital to rehabilitation.

Kate Green: I completely agree with my hon. Friend. Women are usually the main carers of children, and the consequences of their being in custody can be devastating not only for the women but for the children, who ought to be our paramount consideration. I support the calls from the Prison Advice and Care Trust, among others, for a requirement on sentencers specifically to ask about the provision for the children of parents who are about to be given a custodial sentence, and particularly to know where they will spend that first night as their parent faces incarceration.

If we are serious about prison reform, we have to face the fact that our fundamental problem is sentencing policy. We incarcerate too many people who do not need to be there, which costs a great deal of money, and too many of them resume offending on release. I could not agree more with the Lord Chief Justice, who told the Justice Committee last November that the focus needs to be on rigorous, demanding and effective community penalties. However, that requires those penalties to be available and it requires sentencers to have knowledge of and confidence in them. This cuts to magistrates’ training budgets, the lack of full pre-sentence reports because of pressures on the National Probation Service, and problems with community rehabilitation companies.

I want to comment briefly on the Bill’s extensive court reform proposals, and in that regard I declare my interest as a life member of the Magistrates Association. While I recognise the opportunities that modern technology can offer to an efficient court system, I echo the concerns about how vulnerable users will fare in a virtual system. The virtual courts pilot of several years ago offers little reassurance and this Bill’s impact assessment frankly tells us nearly nothing. However, there are concerns, as highlighted by Transform Justice and others, about the lack of access to legal advice, the impact on lawyer-client relationships, the impact on sentencing—the virtual courts pilot suggested that there may be some inflationary impact—the fairness of the process, public perception, and the cost to the public purse, about which the impact assessment is quite vague. I share the concerns of the Magistrates Association and others about the use of online courts in relation to pleas, remand, sentencing and vulnerable young people. Significant numbers of prisoners have low levels of literacy and numeracy or suffer from learning disabilities and may struggle to present their case in the best possible light. They may agree to their case being dealt with in writing or online because it is quicker, it gets things over with, or because it is suggested to them by a police officer in a police station, but that does not necessarily serve the best interests of justice.

I understand the argument made by the hon. Member for Huntingdon (Mr Djanogly) about the loss of the local justice area being an opportunity for a unified magistracy and judiciary, but there are advantages to local justice. As the Justice Committee identified in its report on the magistracy last year, the loss of local justice must not mean losing the local support that helps a bench to function collectively more effectively and efficiently. I hope that the Minister will be able to reassure us on that.

On the other proposed reforms to civil justice, I endorse the concerns expressed about the proposals on whiplash and the small claims route, and I regret that the Government have not taken the opportunity to be more assertive in their tackling of the aggressive marketing practices of some claims management companies. I also endorse the concerns of my right hon. Friend the Member for Delyn about the rise in the small claims limit and the impact that that may have. Workers in relatively low-paid employment with modest claims for accidents at work may find themselves unable to access the legal advice that enables them to make claims successfully. USDAW, a trade union of which I am a member, offers several examples of where relatively minor accidents that are significant to those in minimum wage jobs would not have secured compensation under the Government’s proposed changes due to the lack of access to legal help for workers to pursue their cases.

Finally, I am also concerned about one aspect of the proposal to move responsibility for employment tribunals to the Ministry of Justice. In doing so, I hope that we will not lose the real value that comes from having expert tribunals made up of representatives of both employers and trade unions, employees and the trained judiciary.

Like others, I welcome the Bill, much of which I look forward to seeing develop, but I hope that Ministers will take seriously the concerns that are being expressed and ensure that the justice system, of which this country is so proud, remains the best and most modern in the world as result of the reforms.

7.13 pm

Sir Edward Garnier (Harborough) (Con): I begin by declaring an interest not only in the subject that we are discussing, and not only in the fact that I am a trustee of the Prison Reform Trust and a patron of Unlock—those two charities are concerned with criminal justice and prisons in particular—but in the fact that I am on the
advisory board of Samaritans, and much of what has been discussed this evening touches upon on its work. Literally tens of millions of calls are made to the offices of Samaritans every year. The fact that it is difficult for people to get access to telephones and that the suicide rate in prisons is high—I understand that 119 prisoners took their own lives last year—suggests that we cannot push this subject aside lightly as one of the consequences of someone going to prison. We all need to concentrate on what we say and do about reducing self-harm and suicide in prison. I hope that the Minister for Courts and Justice will be able to respond positively on that point at the end of the debate.

It is uncontroversial to say that prisons are violent, overcrowded and understaffed, but the question of what we do about that is difficult to answer, because the politics relating to the criminal justice system is about sentencing, not prisons. We take a reasonably consensual view—with one or two exceptions—about what we think ought to be done in prisons, for prisoners and to protect the public, but sentencing is acutely politically controversial. The right hon. and learned Member for Camberwell and Peckham (Ms Harman) asked Ministers why, if we can do it for education, we cannot create a regime to regulate prisons, but the answer is that while most of the British public—not all, but a great proportion—either have children of their own or know children, and therefore take a personal, direct interest in schools, few of us know people who go to prison or know what goes on in prison. It is a secret world. I have often said that the more prisons that are opened up to the public’s gaze—not in a ridiculous way, but sensibly—the better the debate about prisons and that aspect of the criminal justice system would be.

Mr Stewart Jackson (Peterborough) (Con): Notwithstanding what my right hon. and learned Friend has just said, does he agree that it is perfectly possible to resist from an over-liberal approach to sentencing while supporting an innovative approach to tackling recidivism, such as through the social investment bonds that we have seen at prisons in Doncaster and Peterborough?

Sir Edward Garnier: I do not have an argument with that at all. The argument for making our prisons work for the public as a whole, for the victims of crime and for prisoners is not just moral and political, but economic. We push hundreds of millions of pounds into the criminal justice and prison systems, and what do we do with that investment? We produce failure. If the prison system was a business or a factory, and if I, as the managing director of that business or factory, pushed millions and millions of pounds into the process, but the things that I produced broke or failed 65% of the time, I would get the sack or my investors would go elsewhere. That is the economic argument. It happens to be bolstered by a moral argument and a political argument that we need to do better on prisons, but I do not resist from the fact that the money that we spend on prisons is not well spent, because it does not produce a lower rate of reoffending, or teach people to read and write so that they can get jobs.

Some 95% or 98% of the 85,000 people currently in prison will come out. I have sat as a judge for 20-odd years. I have put plenty of people into prison for perfectly good reasons, but if they come out of prison still addicted to drugs, still mentally ill, still unable to read or write and still incapable of getting a job, and if they then reoffend because they have no other ambition but to do what they have always done, which is to commit crime, what I am sensibly doing with the public’s money? Not much. It seems to me that there should be a perfectly straightforward economic consensus. Forget whether I am a lily-livered liberal—[Interruption.] Of course, my hon. Friend the Member for Shipley (Philip Davies) and I belong to the same political party and, although he is rather more expert than me, we both take an interest in racing.

Kit Malthouse (North West Hampshire) (Con): My right hon. and learned Friend is making an important point, but to achieve a compromise between him and my hon. Friend the Member for Shipley (Philip Davies), does he accept that if we were more successful at rehabilitating low-level offenders—I think the right hon. and learned Friend is correct about that—it would leave more space for us to lock up more serious offenders for longer, thereby satisfying the public’s need for more severe sentences for very violent and serious crime?

Sir Edward Garnier: I agree with my hon. Friend. I have sent plenty of people to prison, some of them for very long periods of time. I wish that we were able to make sure that those who do not need to go to prison, or who need to be sent to another place, such as a mental hospital, could be dealt with in a more sensible, productive, efficient and effective way. The argument is not about whether criminals are good people and whether we should love them dearly and hug hoodies; it is about doing what is best for all of us and ensuring that the money raised through taxes—the money spent on the health service and education—is properly devoted and directed towards getting these people better so that they do not do it again. Most people who have their house burgled want to ensure that the person responsible is caught, stopped and dealt with but, secondly, they want to be sure that that person does not do it again. If all we do is feed the conveyor belt, we achieve nothing but a waste of money.

The crux of the problem that we face with prisons—it is not a new problem—is overcrowding. I wrote a paper called “Prisons with a Purpose,” having visited 65 of the 140 or so prisons, young offenders institutions and secure training units when I was shadow Minister for prisons between 2005 and 2009. It was abundantly clear then, as I suspect it is now, that our prison estate was woefully overcrowded. We cannot sensibly rehabilitate or reform prisoners, adequately protect the public, prepare prisoners for life outside and maintain a safe and secure environment within our prisons unless we deal with the problems of overcrowding. My right hon. Friend the Secretary of State and my hon. Friend the Member for East Surrey (Mr Gyimah), the Minister for prisons, are fully aware of that. They have been inside prisons and know what is going on, and they have to deal with the arithmetic of how to spend the money in the most sensible way, subject to the demands of the Treasury.

The task of the Secretary of State and the Minister is a difficult one. The aims that the Secretary of State has written into the Bill are good, but in six months or a year—or a suitable time period after the Bill has been enacted—I do not simply want a report from the Secretary
of State or the chief inspector of prisons, welcome though such reports are; I want real, practical advances. It is one thing to write things in the Bill; it is quite another to ensure that they happen.

Most centrally, we must address the hideous problem of overcrowding because with overcrowding we get churn. A person who is sentenced to prison at Canterbury Crown court is sent that night to Canterbury prison.

Alex Chalk (Cheltenham) (Con): Not any more.

Sir Edward Garnier: Or the nearest prison to that Crown court.

Sir Henry Bellingham: They end up in Norfolk.

Sir Edward Garnier: They end up in Norwich having been via Maidstone, Lewes, somewhere on the Isle of Wight, somewhere in Dorset, somewhere in Devon, somewhere in Bristol, somewhere in the east midlands and somewhere in the west midlands. They eventually end up in Norwich, from where they are released miles away from their family without having had any contact with them. A prisoner’s medical records and education records do not follow them seamlessly.

I have uttered this plea time after time over the past 10 to 15 years and, no matter what party was in government, Ministers have told me, “What a perfectly sensible thing to say.” Unfortunately, because the politics is in sentencing, not prisoners, little is done about it. I hope that on this occasion, with this new Secretary of State for Justice, we will see an advance whereby it will not take another 65 years until we have a new prisons Bill to consider that question because we will not need such a Bill. I hope that in a few years we will see a reduction in prisoner numbers, an increase in reform and a reduction in reoffending levels, for the benefit of the public and the taxpayers whom my hon. Friend the Member for Shipley and I want to protect, in terms of not only their pockets but their safety in their homes. I want an improvement to the advantage of us all.

7.25 pm

Mrs Madeleine Moon (Bridgend) (Lab): I hope to bring great cheer to the right hon. and learned Member for Harborough (Sir Edward Garnier), because I am proud to say that one prison that has developed a world-class suite of rehabilitation interventions to reduce reoffending is Parc prison in my Bridgend constituency. Those interventions are largely thanks to the leadership of the prison’s director Janet Wallsgrove as well as Corin Morgan-Armstrong, the head of its family intervention unit and his team of staff and volunteers. Most importantly, the prison has clear partnerships with numerous local organisations within the community, which has led to rehabilitation work with families being not only possible but successful.

The Invisible Walls Wales programme was set up in 2012 and funded for four years by the Big Lottery Fund, Bridgend County Borough Council, Barnardo’s Wales, Gwalia housing and the Welsh Centre for Crime and Social Justice—money not from the Ministry of Justice but from organisations within Wales that are worried about reoffending.

The three core aims of Invisible Walls Wales meet all four of the aims of this Bill. Parc is a 62-bed family intervention unit aimed at reducing reoffending, reducing intergenerational offending and encouraging community cohesion. The funding has transformed family engagement at Parc prison. The environment of prison visits has been fundamentally revamped and, in a bold step, the prison’s visit hall feels more like a community centre than a prison.

Across the prison estate, 48% of prisoners receive regular family contact, but at Parc, thanks to a small change, the proportion has now risen to 69%. As we all know, evidence shows that people in prison who maintain links with their family are 52% less likely to reoffend. Some 90% of prisoners were misusing drugs and alcohol at the start of the Invisible Walls Wales programme, but that fell to 24% by the end of the project. There were particular benefits for the children of prisoners—by the end of the project there was a 30% reduction in the number of children assessed as having school attainment and attendance issues, and 91% of the children had appropriate peer relationships.

In June 2016, Her Majesty’s inspectorate of prisons declared that the children and families work at Parc was “innovative and radical” and “probably the best” it has seen in the UK. The work has been exported internationally to prisons in the Netherlands, Uganda and Australia. The President of Malta has visited to see what can be learned from Parc, the first prison in the EU to achieve an “Investors in Families” charter mark. This week, Parc’s head of family interventions, Corin Morgan-Armstrong, is to speak at the International Coalition for Children with Incarcerated Parents conference in New Zealand.

Parc represents a global hub of excellence, especially given that we are expecting evidence to show that the reoffending rate among 80 high-risk families is to reduce to about 10%. The results speak for themselves: before the changes, physical altercations in the visit halls were witnessed by family members and children once a week, whereas since the revamp Parc has had just one incident in the past six years. Facilitating positive family engagements becomes all the more important when, as we have discussed, six out of 10 boys with fathers in prison will end up incarcerated themselves. We need to place more emphasis on family engagement as a tool for reform. We have all said that, but Parc actually makes it possible.

I cannot tell Members how many ways Parc has changed lives. For example, Mark won the platinum award—the highest possible award—in the 2016 Koestler Trust prison art awards, which attract entries from prisoners from around the UK and abroad. Parc is among the top three establishments to have submitted the most entries to the trust, whose chief executive, Tim Robertson, said:

“HMP & YOI Parc’s outstanding record of success in the Koestler Awards is a testament to the excellent education staff and facilities at the prison: they turn prisoners’ latent potential into concrete positive achievement. It also reflects the fact that G4S, across all its establishments, takes the arts seriously as a means of learning and rehabilitation.”

Many Members will know of the Hay literary festival in Wales, but they may not know of “Hay in the Parc”, which takes place at the same time. This literary and arts festival encourages prisoners to write and to present their artworks, and sometimes the presenters at the Hay literary festival go to “Hay in the Parc” to talk to prisoners.

Schools now go into the prison to work with dads, helping with their reading and understanding of educational jargon, and with developing their listening and reading
skills, so that they can engage in their children’s education. Schools are provided with the information they need to support children affected by parental imprisonment. Contact details are provided to schools so that if issues arise they can go to the prison to ask for information and advice. Prisoners are helped to improve their children’s literacy and numeracy, while also building their own literacy and numeracy skills. Building a parent’s confidence in parenting and teaching them how to do it while incarcerated really makes a difference in the life of that family and of that prisoner once they leave prison. The “Fathers Inside” scheme focuses on intensive group work on parental responsibility for a child’s education, development and wellbeing, using drama, fiction, games and written portfolios. A Duke of Edinburgh leadership pilot at the prison gives fathers the opportunity to gain a Duke of Edinburgh leadership qualification while mentoring their children or siblings through different sections of the bronze award. The prison also has a beaver scouts group, the first in the UK for prisoners and their children, while the “Baby Steps” programme provides innovative antenatal education to parents so that they know how to parent.

The prison has developed an introductory booklet that enables a robust risk assessment to be made, so that prisoners who may be violent are identified and measures can then be put in place immediately to reduce that violence. New arrivals are screened for discriminatory views, and prisoners found to have contravened the prison’s community inclusion policy are required to attend a diversity training programme, whereby set actions are fed into their sentence plan.

I talked earlier about the work of Emmaus with Parc, but this works only if Parc prison works in advance of a prisoner’s discharge to make sure that they are ready: ready for the change; ready for the responsibility; ready to move into work; ready to build a new life; and ready to change and move away from the old patterns, the old friendship group, the old offending and the behaviour that led to it, before moving towards becoming a “companion” in one of the Emmaus homes. I ask the Secretary of State also to work with the Department for Work and Pensions, because the new proposals on changes to access to housing benefit will damage the prison’s community inclusion policy are required to attend a diversity training programme, whereby set actions are fed into their sentence plan.

I know that time is running short, but I must say that money is not everything; skilled and dedicated prison officers, partnership working outside the prison and maintaining the family link are vital to rehabilitation, but so, too, are taking risks and trying new, innovative ideas which do not fit the traditional view of punitive sentencing. It is not a soft option for someone to know how to parent—mentoring their children or siblings through different sections of the bronze award. The prison also has a beaver scouts group, the first in the UK for prisoners and their children, while the “Baby Steps” programme provides innovative antenatal education to parents so that they know how to parent.

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well be a small number of corrupt prison officers. A significant amount of drugs, particularly these new psychoactive substances, are getting into our prisons and causing a great deal of mayhem, misery and, in some cases, death. I urge the Secretary of State and her team to do all she can to keep up the pressure to make our prisons entirely drug-free.

I agree with my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) that, in some ways, there are too many people in prisons. I think that not enough people who have done certain things wrong and have committed horrendous crimes are in prison, and they should be in prison for longer, but I also feel strongly that some people who are in prison should not be there. I am worried that there are more and more prisoners aged 50-plus, and there are currently many more prisoners aged over 65. As the Secretary of State conceded, that is partly because of the extra convictions for child abuse crimes. I certainly do not want to underestimate the seriousness of some of those crimes—no one can claim for one moment that they are victimless crimes, because they are not; there are victims of such crimes and the perpetrators need to be punished—but I agree with Chief Constable Simon Bailey of Norfolk constabulary, who is the Association of Chief Police Officers lead on this subject, that some people need help, not prison. There has been over-zealous prosecution of some of these people, who should be given help to wean them off their dreadful habits.

Several colleagues—including the hon. Member for Stretford and Urmston (Kate Green), my hon. Friends the Members for North West Cambridgeshire (Mr Varu) and for Bromley and Chislehurst (Robert Neill), and the good doctor, my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter)—have mentioned the mentally ill in our prison estate. It is worrying that 4% of prisoners have a psychotic illness, 14% suffer a major depressive illness, and nearly two thirds have some form of personality disorder. I wish to make a suggestion to the Secretary of State as to how we could make some progress on this issue.

The alternative to prison for some people who suffer from serious mental ill health is to be found in the mental health treatment requirement. It can of course be added to a community or suspended sentence after a conviction, but it worries me that only 0.5% of community sentences in 2016 included an MHTR. Why is that? Perhaps the prisons Minister can look into that and elaborate further on it, because significant progress could be made on that front.

Elizabeth Truss indicated assent.

Sir Henry Bellingham: I am glad to see my neighbour the Secretary of State nodding.

I find it extremely worrying that of our prison population of 84,307—as at last week—just under 10,000 are foreign prisoners. I have not done the maths, but I think that is around 15% or 16%. Some of them are of course European, so there is a problem with ensuring that they are deported, because we have to have arrangements in place and that does not normally happen across Europe. There are, though, prisoners from countries including Albania, Jamaica, Pakistan, India, Somalia—unfortunately—and Nigeria. Roughly 3.5% of all foreign prisoners come from Nigeria, and a staggering 5.3% come from Jamaica.

The prisons Minister and his team of officials really must try to do more to grip the problem. Why are better, reciprocal arrangements not in place? Why are we not working with the Jamaican and Nigerian Governments to, for example, use Department for International Development money to improve their prisons? Why are we not doing the same in Somalia? As far as I understand it, the new Government there have complete control of most of the urban areas and most of the prisons, so surely something could be done.

I shall conclude in a moment: I was going to say something about the courts, but a lot of colleagues are waiting to speak. I was keen to get the key points across, and additional points can be discussed in Committee and on Report. I find it heartening that the Bill commands a great deal of consensus among all parties and that, although the Government’s energy over the next few months—indeed, perhaps two years—is going to be focused on Brexit and all the challenging negotiations that will go with it, they still have time to stand true to their reforming zeal and introduce an important Bill. I congratulate the Secretary of State and her team. Let us hope that a really good Bill can be made better still in Committee.

7.46 pm

Holly Lynch (Halifax) (Lab): It is an honour to follow the hon. Member for North West Norfolk (Sir Henry Bellingham), whose speech was very articulate. I am grateful for the opportunity to speak in this debate ahead of serving on the Bill Committee over the next few weeks.

With the Government’s White Paper, which was published in November last year, and the Bill before us today, I welcome many of steps being undertaken to get to grips with the challenges in our prisons and the justice system more widely. Greater scrutiny and more transparent allocation of responsibility are positive steps but, as others have already said, the Bill will succeed only once we have comprehensively got to grips with overcrowding and safety in our prisons. Without an effective, functioning prison system with reform at its very core, the wider justice system simply fails to function. When he appeared before the Justice Committee back in November, the Minister for prisons and probation admitted that all the numbers relating to prison violence, self-harm and deaths in custody are pointing in the wrong direction. I shall therefore use my role as constructively as possible to make sure that the Bill goes far enough and fast enough in improving those numbers.

In part because of several high-profile incidents, Members will be well aware of the prevalence of overcrowding in prisons, which is so commonplace that it sadly now seems to have become institutionalised in the justice system. When they gave evidence to the Justice Committee, both the Minister and the chief executive officer of the National Offender Management Service were in agreement that overcrowding has been a sustained problem for the past decade. The prison population rose from 43,000 in 1993 to just over 84,000 in 2016. Despite this increase, the number of uniformed prison officers tasked with managing and caring for those in prisons has decreased. Following the closure of 18 prisons since 2010, the prison estate has seen a reduction of around 6,000 places, at a time when the prison population is increasing. Although there are plans for new prisons
and extensions at existing sites, at this rate such measures will not alleviate overcrowding in this Parliament or the next.

Overcrowding is a problem in 69% of prisons—that is, 80 out of 116 establishments. My nearest prison, HMP Leeds in Armley, is one of the most overcrowded in the country. The Prison Reform Trust found that although it was built to accommodate 669 men, as of October 2016 it held 1,145, meaning that it is populated at 171% of its intended capacity. What is the impact of overcrowding on the conditions inside prisons? We have already heard statistics from the House of Commons Library, which reveal that, in the 12 months to September 2016, the number of prisoner-on-prisoner assaults increased by 31% on the previous year, with just over 25,000 recorded incidents. There were nearly 38,000 incidents of self-harm, which is an increase of 61% compared with 2006. In the 12 months to December 2016, there were 354 deaths in custody, 34% of which were self-inflicted and 1% the consequence of homicide.

A report by the Prison Officers Association revealed that there are more than 42 incidents of violence in prison establishments every day. Given, as the Minister said, that all the numbers by which we measure the effectiveness and safety of our prisons are pointing in the wrong direction, it is perhaps surprising that we have seen a reduction of 7,000 prison officers since 2010. I appreciate that the Government have closed 18 prisons in that time, but the prison population has still increased. In fact, it peaked at an all-time high in 2011. By any analysis of prisoner to prison officer ratios, the number of officers will surely be found to be inadequate to meet the challenges, and I support the call from my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) to look at how we can introduce ratios into the Bill.

I welcome the decision announced in the White Paper to recruit 2,500 more prison officers, and I am glad that the Secretary of State was able to tell us more about that recruitment process, and that 400 more prison officers have been recruited for the 10 most challenging prisons, but I hope that the Minister can go further in outlining what the next steps will be in recruiting for the remaining 2,100 posts.

Michael Spurr, chief executive officer of the National Offender Management Service, confirmed to the Justice Committee in November that the rate for new prison officers leaving within their first year is 13.5%, and has been as high as 16% in the past three years. I would be interested to know whether the Secretary of State has factored in that retention rate when recruiting those new officers. If 13.5% of the 400 already recruited leave within their first year, we will need to find 54 additional officers. I have set out the context not simply to make the case for sufficient prison capacity to meet demand, but to make the case for my amendments on prison officer safety, which is an area in which this Bill could go much further.

My right hon. and learned Friend the Member for Camberwell and Peckham talked about how two officers were left to cover a wing of more than 150 prisoners. Members can appreciate that sense of being outnumbered when they think about the reality of those figures. What needs to change to make sure that prison officers do not leave in their first year, are safe at work and are staying in post until retirement? Colleagues will be aware that, since having had an eye-opening experience while shadowing a lone police officer in my constituency last year, I have been campaigning for greater protections for emergency service workers, and prison officers are no less deserving of those same protections.

A report by the Prison Officers Association revealed that eight staff members are assaulted every day and that, in 2010, there were 24 sexual assaults against prison staff. That is just unacceptable. Section 8 of the Prison Act 1952 says:

“Every prison officer while acting as such shall have all the powers, authority, protection and privileges of a police constable.”

In the event that a prison officer is assaulted, and where the evidence affords, the prosecutor has a choice between pursuing common assault charges, under section 39 of the Criminal Justice Act 1988, or assault police charges under section 89 of the Police Act 1996. Assault police is a summary only offence and as such carries a maximum of 24 weeks custodial sentence, with community resolution orders and fines the most common outcome. I will not share the details now, but I can recommend the report “Prison Violence—How serious does it have to get”, which is published by the Prison Officers Association, for harrowing testimonies from prison officers, complete with photos of their injuries. It is well worth a read if anyone is in any doubt about the need for having the toughest possible deterrents in place to protect prison officers.

**Philip Davies:** I commend the hon. Lady for all her work on this matter and also with regard to police officers. It is very much appreciated by them. She says that the number of assaults on prison officers is going up, but is she also aware that the number of extra days given for the assault of a prison officer by a prisoner is going down? The average number of extra days given for a prisoner assaulting a prison officer was 20 five years ago, and it is just 16 now. Does she agree that that is completely inadequate punishment for a prisoner assaulting a prison officer?

**Holly Lynch:** I completely agree with the hon. Gentleman. I wonder whether the pressures of overcrowding are starting to reflect in those sentences handed out in prisons, which do not then serve as a proper deterrent. I would be more than willing to consider that point and others when we debate the Bill in Committee.

This is why I am calling on the Government to consider making it an aggravating factor to assault a prison officer under existing common assault, grievous bodily harm, actual bodily harm and malicious wounding charges. That would give the judiciary much greater flexibility when considering sentencing. Sentencing must be about effective deterrent. It is about not exacerbating the existing conditions in prison, but ensuring that there is a real incentive not to assault officers.

There is also the practice of “potting”, where urine and faeces are thrown at a prison officer as a means of assaulting them—it seems to be female prison officers who are singled out for this treatment—and it is simply horrific. Those acts must be followed up and charges brought against every individual who engages in that activity. It is no wonder that there is a 13.5% drop-out rate in the first year when that is what we ask our prison officers to face every day they go to work.
The second part of my campaign relates to spitting. As well as being horrible, spitting blood and saliva at another human being can pose a very real risk of transmitting a range of infectious diseases, some with life-changing or even lethal consequences. In presenting my ten-minute rule Bill, which addressed that very issue, I shared with MPs the story of Arina Koltsova, a police officer in Ukraine who died after contracting tuberculosis from an offender who spat at her while she was trying to arrest him. At the moment, if a prison officer or any other emergency service worker is spat at, they can take a blood sample from an individual only if they give their permission. Needless to say, in most cases in prisons, prisoners are deliberately seeking to inflict the maximum distress on a prison officer, and so decline to provide a sample. This then leaves the prison officer or staff member with no choice other than to take anti-viral treatments and face a six-month wait.

To address this issue, I have looked to laws in Australia where refusal to provide a blood sample can result in a fine of 12,000 Australian dollars and a custodial sentence. Adding such a measure to the Bill would mean that to refuse to provide a blood sample would in itself be a crime, punishable by a fine or an additional custodial sentence. If a prison officer has already had to endure being spat at or bitten, this measure would hopefully save them having to endure a six-month ordeal waiting to see whether the consequences are much more serious. I hope to demonstrate the merit of these amendments in Committee and hope that the Government will work with me on these measures.

On behalf of my hon. Friend the Member for St Helens North (Conor McGinn), who cannot be in the Chamber today, I wish to raise his commitment to Helen’s law, which would deny parole to those convicted of murder who refuse to reveal the location of their victim’s remains. He will be seeking to build support for that change and amend the Bill to that effect, and I will be supporting him in doing so.

I have been particularly animated about the closure of both the magistrates court and the county and family court in my constituency. I am grateful to the Minister for Courts and Justice for keeping me informed about this Bill. He knows that I am particularly passionate about the provision of justice.

Last week, having attended the briefing on the sweeping reforms to access to justice, I can see that there is a lot to be optimistic about. When starting from a position of what is best practice for supporting vulnerable victims and witnesses through the justice system and when giving evidence, I accept that our old-fashioned court buildings and outdated systems are just not up to the job. However, having accepted some of the reasoning for the closure of the courts—to facilitate this revolution in access to justice which promised to make justice more available than ever before—what happened in Halifax was that the courts closed, and people now have to travel much further than ever before to attend old-fashioned court buildings and use outdated systems. With a six-year roll-out on the measures that we are all looking forward to seeing, my experience in Halifax is that there has been a massive step backwards in justice provision in the intervening years. I have engaged with this process, accepted that there were inefficiencies across the two courts, and even lobbied to merge them, which would have returned a cost saving for Her Majesty’s Courts and Tribunal Service.

I visited Kent police’s excellent video-enabled justice system, and bought the Government’s arguments, but, through no lack of trying, I have failed to get HMCTS to engage with me on how technology can be used to the benefit of my constituents and to deliver a justice system that is indeed fit for purpose. I am really grateful that the chief executive of HMCTS, Susan Acland-Hood, has offered to meet me to discuss this matter further, following similar pleas that I made at that briefing hosted by the Minister for Courts and Justice last week. I genuinely hope that we can get a video hub in place to mitigate some of the impact of the court closures in Halifax.

I genuinely welcome the move to introduce modern technology into the justice system, so that vulnerable victims can record their evidence just once to save potentially painful and unnecessary repetition; so that we can cut down the time spent by police officers in court; and so that justice can be accessed on an iPad in a front room. Such changes would be fantastic. I will use my time in Committee to outline examples of where court closures have left a void, which this Government have failed to bridge, and work towards practical measures for delivering a better service as soon as possible.

I look forward to examining and debating the Bill in more detail in Committee. I welcome many of the measures. While the situation remains so pressing—I would go so far as to say pretty desperate—in some of our prisons, the pressure to get this right and quickly weighs on us all. I intend to work constructively to firm up the Bill as it relates to prison officer safety. Given the recruitment and retention pressures they face, I hope that the Government will be receptive.

8 pm

Michael Tomlinson (Mid Dorset and North Poole) (Con): It is a pleasure to follow the hon. Member for Halifax (Holly Lynch) and so many other experts who have spoken already from both sides of the House. It is also a pleasure to have caught your eye, Madam Deputy Speaker, and to be called to speak so early in this Second Reading debate on a Bill that commands cross-party support.

The Bill contains much that is commendable. I warmly welcome the strengthening of regulations on whiplash injuries and the provisions on the introduction of new technologies in court procedures. I was pleased to hear the Secretary of State describe how courts in the south-west of England—my part of the world—are doing so well in using technology.

I will focus on prisons and prison reform. I am delighted that the Bill sets out the purposes of prisons, in particular that they should “reform and rehabilitate offenders” and “prepare prisoners for life outside prison”. Many Members have expressed their concerns about the prison system, but none, I think, has dwelt on the reoffending statistics, which have remained stubbornly high. The rate of reoffending by young offenders is running at 68.7%, the rate among those sentenced to
less than a year in prison is 60%, and the overall reoffending rate is 44.7%. Such rates come at a cost of £15 billion a year. That is not the cost of reoffending overall; it is the cost in relation to reoffending by those who were in prison. It is right that we refer in the Bill to the necessity of reforming and rehabilitating offenders.

The statistics that I just cited compare badly with those for our international counterparts. Some countries do particularly well—Denmark’s reoffending rate is 29%, and Iceland’s and Singapore’s are both 27%, but Norway leads the field with a rate of 20%. I accept that the legal jurisdictions in some countries are very different from our own, but it is worth looking at where there is good practice and seeing what we can learn. In that regard, I was pleased to visit a young offenders institution in Norway, just outside Bergen. Prisons in Norway have been compared, unfairly, to holiday camps by some in our country’s media, but given Norway’s reoffending rates, it would be churlish to ignore its example. When there are good lessons to learn from other countries, we should try to learn them.

Dr Sarah Wollaston (Totnes) (Con): Does my hon. Friend agree that there are also examples of good practice in this country? I visited a project in my constituency, LandWorks, which works with offenders providing routes into employment, mentoring and counselling. It offers an extraordinary range of opportunities and achieves reoffending rates of just 4%. Does he agree that we should look at practical examples in this country and roll them out more widely?

Michael Tomlinson: I agree absolutely and I am grateful to my hon. Friend for that intervention. It is clear that LandWorks is doing an excellent job in her area. We heard from the hon. Member for Bridgend (Mrs Moon) about the good work that is done in Parc prison, which is being rolled out internationally. When we can learn, whether from institutions in our own country or abroad, we should be big enough and brave enough to learn those lessons, to adopt good practice and to roll it out across the country.

The two principles I learned from my visit to the young offenders institution in Norway related to staff ratios and officer training. There, all prison officers are either graduates or have completed a two-year training programme. I was pleased to hear my right hon. Friend the Secretary of State say that we are recruiting more prison officers and more is being done to improve their training. Earlier today, I learned of the “Unlocked” graduate scheme—a two-year programme, I think.

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah) indicated assent.

Michael Tomlinson: I am pleased to see the Minister nodding. I warmly welcome that programme.

Mr David Burrowes (Enfield, Southgate) (Con): Will my hon. Friend, whose professional background is similar to mine, comment on the need for offenders leaving prison to go not into the arms of drug dealers, which leads to further reoffending, but into the arms of a loved one or family members, so that that relationship can give them ongoing support and help them not to reoffend?

Michael Tomlinson: I was going to touch on that point later in my speech, but I will deal with it now. Members on both sides of the House have talked about the importance of that. The hon. Member for Bridgend talked about a 51% reduction in reoffending—I would be interested to hear where that figure comes from. The hon. Member for Stretford and Urmston (Kate Green) mentioned a 39% reduction, and I believe that that figure was drawn from research instigated and conducted by the Ministry of Justice in 2008. I am interested in both those figures.

My hon. Friend the Member for Enfield, Southgate (Mr Burrowes) is right. I challenge the Minister to consider whether maintaining close family relationships outside prison should be mentioned in the Bill, perhaps in clause 1, which sets out the purposes of prisons. I was pleased to hear the Secretary of State say that Lord Farmer has been looking into this, and I know he will bring his great expertise to bear. We eagerly anticipate the publication of his report.

I had the opportunity to visit, with my hon. Friend the Member for Hoxham (Guy Opperman), Her Majesty’s Prison Coldingley, which is a reform prison, to see the work that goes on there. When reform prisons were launched, I questioned how they would make a difference and what empowering governors would mean on the ground. The governor of Coldingley gave two examples that made clear to me the impact that reform prisons and giving governors greater autonomy can have. They are small examples, but I believe they paint a bigger picture. They have had a big impact, certainly in Coldingley.

First, every prisoner in Coldingley works. We had the opportunity to see the vast factories there—there is a printing press and the like all set up. As a result of the flexibility given to the governor, she has been able to increase the food allowance from less than £2 to in excess of £2. That seems like a small uplift, but it was done in recognition of the fact that every prisoner works, and if nothing else it has made a dramatic difference to prisoners’ morale. The second example was the appointment of a key position that the governor simply would not have been able to afford without having flexibility in the budgets and the autonomy to prioritise funds as she saw fit. Those two small examples brought home to me the importance of giving governors autonomy and greater authority.

Another measure foreshadowed in the White Paper was release on temporary licence. Schemes whereby prisoners are released early are sometimes criticised, even by Conservative Members. Some say, “Well, what about the risk to the public?” While I agree with those concerns and although it is right to highlight them, it is also right, when proper, to challenge them, because release on temporary licence has a success rate in excess of 99%. In 2015, there were 162 failures, the definition of which is a prisoner who has breached his or her terms of release, committed a further offence or failed to turn up on time. The figure equates to 49 out of 100,000—less than 0.5%. If we translated that into reoffending statistics, I think we would all be pleased, so I warmly support measures giving governors greater autonomy in rolling out and prioritising release on temporary licence.
I am conscious that other experts are waiting to speak, so suffice it to say that I warmly welcome the measures set out in the Bill. I fully support it and am pleased that it has cross-party support.

8.10 pm

Philip Davies (Shipley) (Con): It is a pleasure to follow my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson).

I have been disappointed to hear prison being disparaged so much in this debate, as prison is actually a pretty successful place. According to the Ministry of Justice’s own figures, the longer people spend in prison, the less likely they are to reoffend. The Ministry’s latest figures, released in November 2016, show that although 60% of those released from a sentence of less than 12 months go on to reoffend, only 37% of those who serve a sentence of between 12 months and four years, 24.7% of those who serve a sentence of four to 10 years, 15.6% of those who serve a sentence of 10 years or more, and 11.4% of those sent on an indeterminate sentence go on to reoffend after release. Prison is clearly not the problem because the longer people spend in there, the less likely they are to reoffend. Perhaps the problem is that they are not spending long enough in prison. That seems to be the lesson from those figures.

Kit Malthouse: I have some sympathy with part of what my hon. Friend says, but does he accept that those statistics ignore the nature of the offence? For instance, quite a lot of people are serving very long sentences for murders—crimes of passion—that they may have committed only once in their life and are unlikely to go on to commit again, whether they go to prison or not.

Philip Davies: The problem with that is the example of those who serve less than 12 months. If my hon. Friend looks at the figures, he will find that it is very difficult to be sent to prison for a first offence and a short sentence. People who are eventually given short prison sentences have been given community sentence after community sentence, which have not worked. The reason that these people end up in prison on a short community sentence, which ha ve not worked. The prison sentences ha ve been given community sentence after community sentence, which have not worked. The reason that these people end up in prison is a reoffending rate of 60% when they leave prison is a greater triumph than was shown by community sentences was 100%. The fact that they have a reoffending rate for the cohort of people who end up in prison after community sentences was 100%. The fact that they have a reoffending rate of 60% when they leave prison is a greater triumph than was shown by community sentences for that cohort of people who end up in prison.

Kit Malthouse rose—

Philip Davies: I do not have time to give way to my hon. Friend again.

The Bill contains provisions to toughen up the current position on the use of mobile phones. I am sick to death of seeing pictures of smiling criminals from within prison cells, surrounded by all kinds of creature comforts and ill-gotten gains courtesy of the use of mobile phones in prison. More concerning is the use of phones to intimidate or threaten victims, or to ensure the continuation of crimes, so I welcome the steps the Government are taking to deal with that scourge.

I have some concerns about extending the use of video links in certain cases, and I am certainly not comfortable with people using video equipment in all kinds of venues that are not courts. I shall listen to the points made by those promoting such technology, but sometimes, in the interests of justice, saving a few pennies should not be the overriding factor. We need to be very careful that, in trying to protect victims, we do not affect the scales of justice and end up with a situation where it is difficult for defendants to have a fair trial. Having a fair trial should be paramount, just as it is essential to deal appropriately with those found guilty. I am not overly keen on the sound of the online conviction process, so I will be listening with interest to the types of offences it might cover. The Magistrates Association also has concerns about this, and I hope they are considered carefully.

I am concerned about the abolition of the local justice areas, which organise magistrates and their work within geographical locations. I understand that some work can be done in different areas, but there is something to be said for the argument that justice should be dispensed locally. I hope we do not end up with a situation whereby all kinds of cases are being heard randomly all over the country for no good reason.

I have a bit of concern about judicial appointments and the drive for diversity. Surely we should just be interested in recruiting the best people. It should be irrelevant whether they are men or women, black or white, Christian or Muslim, gay or straight. Who cares about any of those things? We want the best person for the job, irrespective of their gender or race. Surely that is what equality means in this day and age—not just giving somebody a job out of tokenism because they happen to tick a particular quota box. Let us stick to appointing people on merit alone, and ignore every other irrelevant factor about them.

In my brief contribution, I want to focus on what is missing from the Bill, which is more important than what is in it. I would like the whole sentence given by the courts to be served. People should certainly should not be automatically released halfway through their prison sentence, as is the case at the moment. That was a scandal when it was introduced. The Conservative party was apoplectic when the last Labour Government introduced it, but we now seem to think that it is wonderful to release people automatically halfway through their sentence, irrespective of how badly they behave in prison. I will certainly table an amendment at a later stage in the passage of the Bill to ensure that any prisoner who assaults a prison officer cannot be released automatically halfway through their prison sentence. We must have some proper punishments for assaulting prison officers. The least that prison officers deserve is that kind of support.

One reason for the breakdown of order in prisons is that prisoners know that no matter how badly they behave, they will be released halfway through their sentence. All that is given for assaults on prison officers is extra days. As I indicated in my intervention on the hon. Member for Halifax (Holly Lynch), who has done a great job and should be commended greatly for all her work on defending prison officers and police officers, the average number of extra days given to a prisoner for assaulting a prison officer was 20 days in 2010 and 16 days last year. That is completely and utterly unacceptable. I am sure that the Prison Officers Association would welcome the Government saying that if a prisoner assaults a prison officer, their opportunity for automatic
early release halfway through their sentence will end, and that their position will be judged on whether they are safe to be released out into the public.

Bob Stewart (Beckenham) (Con): I presume that the sentences should, at the very least, be the equivalent of the sentence for someone who does that outside prison.

Philip Davies: I am grateful to my hon. Friend for his support for my amendment. I only need the support of the Opposition and about eight more on our side and we should be in business. I will put my hon. Friend’s name down as a likely supporter.

The Library briefing paper confirms:

“There were 6,430 assaults on prison staff, 761 of which were serious. This was an 82% rise on the number of assaults on prison staff in 2006 and was a 40% increase from 2015.”

Prison officers have a very hard and, at times, dangerous job. I am sick of hearing about the pathetic additions to sentences for prisoners who assault them. I hope the Government will deal with that in the remaining stages of the Bill.

I would also like to see an amendment to limit the use of fixed-term recalls. When prisoners are released early, they do not even go back to serve the remainder of their sentence when they are convicted of a further crime. They just go back into prison for 28 days, for what I would consider a mini-break. They can usually keep an eye on their criminal activities knowing that they will be back in prison for only 28 days. I hope the Government will deal with that.

I would recommend giving consideration to making judges accountable for their decisions, particularly when they do not hand down custodial sentences that are perfectly justifiable and possibly even expected, and particularly when the offender goes on to reoffend. I do not need to say now what the consequences of collecting such information should be, but it should be clear to many that where a judge consistently allows offenders to avoid prison, and those offenders go on to make others suffer as a result of their continuing crime spree, there should be accountability and consequences for that judge.

I would like to table an amendment to allow magistrates to sentence people to prison for up to 12 months for one offence, instead of the current six-month limit. We already have the law in place to do that, and it just needs a commencement date. That is something the Government have been promising for years, but they still have not got round to doing anything about it. When the Minister winds up, perhaps he can tell us when he intends to activate this part of Government policy.

I would like to recommend increasing the age limit for magistrates and judges to 75, and I will table an amendment to that effect. As of 1 December 2016, the Government increased the age limit for jurors to 75, and I cannot really see any difference between being a juror and determining someone’s guilt or innocence in a serious criminal trial, and, for example, sitting as a member of a bench of magistrates. Surely, the same rationale applies to both.

I am not a fan of release on temporary licence, unlike my hon. Friend the Member for Mid Dorset and North Poole. If prisoners serve only half their sentence, the least they can do is actually serve that half in prison, rather than being released in advance of the half for which they are automatically released. It is ludicrous to count time out of prison as time in prison, and I am considering tabling amendments to cover some instances of release on temporary licence.

Michael Tomlinson: Will my hon. Friend give way?

Philip Davies: I am not going to give way, because my time is almost up, and I want other people to have the chance to speak.

I want to place on record my continued interest in seeing male and female offenders treated equally by the courts, not only for sentencing purposes but in all aspects of the criminal justice system. It is increasingly accepted that women are treated more leniently than men. For every single category of offence, a man is more likely than a woman to be sent to prison. In the interests of equality, this matter needs to be looked at. However, we should look after women in the criminal justice system by abolishing sharia councils, which discriminate against them terribly, although the Government sit idly by and allow that to continue, which is an absolute disgrace.

Finally, on a more positive note, I am delighted to support the Secretary of State when she said in a speech last month that:

“the wrong way to address the problem would be to shorten sentences or to release offenders earlier. That would be reckless and endanger the public. And it would restrict the freedom of the independent judiciary to choose the most appropriate sentence for each offender.”

I could not agree more. She is certainly on the right lines. If she sticks to that kind of principle, she will be doing okay. I hope to be able to support the Bill by strengthening it in its remaining stages.

8.22 pm

Mr David Nuttall (Bury North) (Con): It is a privilege, as always, to follow my hon. Friend the Member for Shipley (Philip Davies), and I very much look forward to supporting some of the amendments he foreshadowed in his speech.

At the outset, I must draw the House’s attention to my entry in the Register of Members’ Financial Interests, as I am on the roll of solicitors. I am a non-practising solicitor now, but earlier in my career I was involved in many personal injury matters, and it is to part 5 of the Bill, which deals with whiplash, that I want to restrict my remarks.

There are things to commend and welcome in the Bill, but the one area where I do have concerns is over the proposals relating to whiplash. It is completely understandable that the Government would want to root out fraudulent whiplash claims, and I am sure everybody would agree with that, but I am not convinced that the proposals in part 5 will assist in achieving that aim. I welcome the fact that the Government have abandoned some of the more extreme proposals in the consultation paper, but we have nevertheless finished up with a set of proposals that I doubt will have the desired effect.

There is no doubt that if fraudulent claims are submitted and not spotted, the damages that are paid out will increase premiums. However, I am not convinced that
the way to reduce premiums is to restrict artificially the level of damages payable by someone found liable for the tort of negligence. The Government’s proposal has nothing to do with control of litigation. I am told that it is all about rooting out false, fraudulent claims and trying, as a consequence, to reduce insurance premiums. If the Government are really keen to do that, one way would be to reduce insurance premium tax. It seems rather perverse that we should tax those who seek to do the right thing. I can understand the argument—I might not always agree with it—for taxing goods or behaviours that are perceived to be bad, but it is less easy to understand the rationale for taxing those who seek to do the right thing by taking out insurance to protect themselves and take care of their future.

There are already procedures in place to reduce the potential for fraudulent claims to be successful. I am all in favour of taking the strongest possible action to root out those who try to con the system, but perhaps we should have given the existing measures—it is not many years since they were introduced—more time to work, and there is already evidence that they are working. The number of whiplash claims, as reported to the compensation recovery unit at the Department for Work and Pensions, fell from 511,111 in 2010-11 to 335,365 in 2015-16.

Sir Oliver Heald: The expression we use is whiplash-related road traffic injuries. Some of them are described as upper torso strain caused by shunt by a vehicle; that is a whiplash claim, and it would not count as a whiplash claim, but we think they are the same thing, and we reckon that the figures show a 50% increase over the last 10 years, at a time when the number of road traffic accidents generally has been falling.

Mr Nuttall: Clearly, there are issues around the definition of what constitutes a whiplash injury. The fact remains that, under the definition of whiplash used by the CRU, there was a 34% fall between 2010-11 and 2015-16.

Regardless of the number of claims, if they are valid, appropriate damages should be paid. The introduction of tariffs will have a number of effects, particularly when combined with the proposed increase in the small claims limit, which I accept is not in the Bill but is foreshadowed in the Government’s proposals. First, the level of damages will hardly ever be correct, as the Government recognise in their proposed uplift provisions. This is a rather clumsy way to try to finesse the basic scheme, recognising that the damages will not be at the appropriate level. There will inevitably be an increase in the number of litigants in person, and that raises questions as to how the courts will cope. For example, is the portal proposed as the mechanism by which the system is accessed intended for use by litigants in person?

Claims management companies will have a field day as they look to expand their operations in the light of these proposals. I fear that there will inevitably be an increase in the number of nuisance telephone calls. The Government may feel that insurance premiums are a problem, but that is as nothing compared with the problem of nuisance telephone calls. I am sure that the hon. Member for Bridgend (Mrs Moon), are already doing that work really well. If prisons are truly to be places of reform, we need to focus on a number of areas. Many prisoners arrive in prison with serious mental health issues, and making sure that the very best mental healthcare is available for them must be at the heart of the prison regime. I welcome the moves towards joint commissioning so that prison governors are more involved with the mental healthcare being delivered within their prisons.

I was also delighted that the Secretary of State agreed to take forward the Farmer review, to keep prisoners’ family and other relationships healthy and strong where it is safe to do so. Some prisons, such as Parc in Bridgend, as we heard in the wonderful speech by the hon. Member for Bridgend (Mrs Moon), are already doing that work really well. If prisons are truly to be places of reform, we cannot ignore the reality that a supportive relationship with at least one person is often indispensable to prisoners’ ability to get through their sentence well and achieve rehabilitation. It is not only family members who can provide that. Other significant and supportive relationships can make a significant difference to the prevention of reoffending.

Another problem resulting from the introduction of tariffs is that the same injury will attract a different level of compensation dependent on whether the injury was suffered as a result of a road traffic accident or in the workplace. I am not sure how that could be justified to the injured person, but I look forward to hearing the explanation of how it could be justified. There will inevitably be a transfer of cases from qualified legal practitioners to unqualified claims companies—McKenzie friends and so forth—and thousands of high street practices will face closure or, at the very least, job losses. There will also be unintended consequences. For example, the Access to Justice Action Group has pointed out that an injured party would be entitled to £3,725 for a neck injury lasting 24 months under the small claims track, but £6,750 for a neck injury lasting just one month longer outside the small claims track. That will be an incentive for the small minority who try to play the system to exaggerate their claims.

In summary, why should the vast majority of innocent, law-abiding citizens be penalised for the actions of the dishonest few?

8.32 pm

Andrew Selous (South West Bedfordshire) (Con): I strongly welcome this Bill because it will help to improve the rehabilitation of offenders, which is at the heart of preventing more crime and keeping the public safe.

Prisons are the end of the line for maintaining law and order in this country, and we expect an awful lot of them. Of course, prevention is always better than cure, and we need to redouble our efforts in cracking down on the scourge of drugs, which so often leads to a life of crime. We also need to continue to provide more and more ladders of opportunity for people to engage in legitimate, worthwhile and rewarding study and work. Rehabilitation in prison cannot take place unless the environment is safe and secure, and it is absolutely right that those words appear on page 1 of the Bill.

If we are to reform and rehabilitate offenders and prepare prisoners for life outside prison, we need to focus on a number of areas. Many prisoners arrive in prison with serious mental health issues, and making sure that the very best mental healthcare is available for them must be at the heart of the prison regime. I welcome the moves towards joint commissioning so that prison governors are more involved with the mental healthcare being delivered within their prisons.

Huge advances have been made by Jim Davidson’s charity Care after Combat, which works with military veterans and is supported by the Government.
To start with, more than 50 of its mentors have gone into prisons, been friendly with prisoners and put them on the road to really decent rehabilitation. It is a great charity, and I am very grateful for all the work it has done for the military.

Andrew Selous: I could not agree more with my hon. Friend. I have met Jim Davidson on a number of occasions, and I thoroughly commend the work of Care after Combat throughout the Prison Service.

Family work, which brings prisoners face to face with their enduring responsibilities to their families who are left in the community, is indispensable to the rehabilitation culture that we urgently need to develop in our penal system. I welcome the commitment by the Ministry of Justice to measuring the quality of prisoners’ relationships. At a very practical level, we know that enduring family relationships lead to many prisoners being able to access on release family accommodation that would be unavailable to them if those relationships had broken down.

Kate Green: There is a huge amount of consensus this evening about maintaining prisoners’ family relationships. Does the hon. Gentleman agree that a corollary of that is that family contact should not be removed as a penalty where other forms of sanction are available? It is unfair to the family members and it defeats the object, which he and others have talked about, of maintaining prisoners’ contact with their families.

Andrew Selous: I share the sentiments expressed by the hon. Lady, and my instincts are with hers. I have talked extensively to prison officers about the issue, and on occasions they have a relatively limited number of levers that they can use. I am with the hon. Lady, however. Family relationships are really important, and they are often powerful forces for good that can help prison officers to achieve what they are trying to achieve.

Accommodation is the base camp of rehabilitation, and we are unlikely to make any progress without it. It is concerning that some local authorities are, frankly, discriminatory towards ex-offenders. Ex-offenders should not be given preferential treatment, but neither should they be treated worse than others who seek accommodation.

I hope that Her Majesty’s Prison and Probation Service, as it will be called from 1 April, will look at the cost of prisoners phoning home. Many prisoners have mobile phones so that they can speak to their wives, husbands, partners and children. We need to make sure that prisoners have good access, for legitimate use, to affordable prison telephones. I am also a fan of the prison voicemail initiative, which is spreading in our prisons. A daughter managed to leave a message of her first violin piece for her father to hear on a prison voicemail, for example.

Suella Fernandes ( Fareham) ( Con): On the issue of housing and released prisoners, does my hon. Friend agree that many prisoners struggle to get on to the housing list in various local authorities? How does he suggest we incentivise local authorities to consider in priority need those prisoners who have served their sentence and need a bit of support to prevent them from getting into homelessness?

Andrew Selous: At the very least, we need fairness across the system. What concerns me is that some local authorities have a blanket approach of telling ex-offenders to wait a couple of years. My local authority, Central Bedfordshire Council, has a very good policy. It is concerned about antisocial behaviour, and it does not really mind whether someone is an ex-offender; it wants to know whether that person will be a good tenant. As long as they are a good tenant, the council does not discriminate against them. I think that that is a good and practical policy.

Michael Tomlinson: Does my hon. Friend welcome, as I do, the Third Reading in the House of Lords of the Homelessness Reduction Bill, in which there is duty on local authorities to provide advisory services to those who have been in prison? Does he welcome that excellent measure?

Andrew Selous: I very much do so, because so many of the other things that we want to do—improving prisoners’ education, getting them into work, keeping family links strong—depend, very naturally, on having somewhere to live.

I am concerned that offenders’ innocent family members are being unfairly and wrongly penalised by insurance companies either withdrawing insurance cover or making it prohibitively expensive. In some cases, this is happening while the offender is in prison, and it is hard to see how there could be an additional risk to the insurer with regard to the family home in such cases. The Ministry of Justice needs to make its views about this issue very clear to the Association of British Insurers. I am grateful to the Salvation Army for highlighting it in a recent edition of its magazine, The War Cry.

The previous Secretary of State was absolutely right to get an outstanding headteacher, Dame Sally Coates, to review prison education. We need much better baseline assessment of levels of literacy, numeracy and other key skills on arrival in prison, and a real determination not to waste a single day in prison in making progress on those areas. We also need a culture change so that prisons become places of education across the whole establishment. One of the ways to achieve that is through the much greater use of mentors—for example, with the Shannon Trust’s reading schemes, or by using numeracy schemes, such as one to one maths. Some of our best governors, such as Ian Bickers at Wandsworth, have accelerated this progress and formalised the mentoring arrangements with prisoners who have level 3 qualifications and are able to help other prisoners.

The Ministry of Justice is to be commended for realising the vital importance of making sure that prisoners leave prison with a job to go to. This is a huge challenge and we are a long way from achieving it, but no longer is purposeful activity just to be about keeping prisoners occupied, worthwhile though that is. Work and training in prison needs to be related to getting and keeping a job on release. I welcome the focus on prison apprenticeships. I hope there will be more properly focused release on temporary licence, as its decline from 529,000 instances in 2013 to 333,000 in 2015 is a great concern.

It would be good to have an update on how the Government and the wider public sector are doing with the Ban the Box initiative. Companies such as Boots,
Barclays, Carillion, Land Securities, Ricoh, Virgin Trains and many others are leading the way. We need other firms to join them, and we need to bring employers who are not as enlightened up to the mark.

I am very pleased that the Bill does not alter the statutory provision for chaplaincy set out in the Prison Act 1952. Chaplains play an extremely important role in prisons, and recent research on Catholic prisoners found that over 90% trusted their chaplain. The cost of accommodation for clergy can lead to vacancies, and I hope that Churches will look at shared appointments, making use of existing clergy housing, or indeed invest further in housing for this important ministry. I am also extremely grateful to the benefactor who, at no cost to the public purse, has provided thousands of copies of the “Doing HIS Time” devotional guide for prisoners. Chaplains should be aware of this excellent free resource, which I believe will have a significant impact in our prisons and beyond, given the clear links between rehabilitation and redemption.

Prisons will be successful in achieving rehabilitation and preventing reoffending only if we have an effective probation service that is working hand in hand with our prisons. I welcome the implementation of the key worker role in prisons to help bring this about, and I hope that the probation service will look at the inspiring examples of what can be done by initiatives such as Jobs, Friends & Houses in Blackpool. It is an initiative between Lancashire police and Blackpool Council that provides construction skills training, accommodation, employment and friendship, as well as strengthening the wellbeing of those it serves in very practical ways. I have explained the model to the chief constable and police and crime commissioner in Bedfordshire, as well as to senior judges in Luton, and I hope that they will be inspired to establish a similar initiative in my own county.

8.44 pm

Victoria Prentis (Banbury) (Con): It is an honour to follow the distinguished former prisons Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous). Like him I would like to confine my remarks to part 1, but I am afraid that I am tempted by the presence of the Minister for Courts and Justice. With your permission, Mr Deputy Speaker, I would like to thank him for the very enjoyable hour I spent in his company last week piloting the excellent provisions of parts 2 and 4. During that hour, I was able to apply for divorce and probate, both of which, I am glad to say, were fictitious elements—my husband and parents should not be worried. It was a mercifully short, easy and painless application process, and one that is warmly to be welcomed. It was a mercifully short, easy and painless application process, and one that is warmly to be welcomed. I commend him for all his work.

The Bill is a note of hope in the fairly dark places that are our prisons. It is very welcome in both its scope and parts 2 and 4. During that hour, I was able to apply for divorce and probate, both of which, I am glad to say, were fictitious elements—my husband and parents should not be worried. It was a mercifully short, easy and painless application process, and one that is warmly to be welcomed. I commend him for all his work.

The Bill is a note of hope in the fairly dark places that are our prisons. It is very welcome in both its scope and content. I follow such a line of distinguished speakers that I would like to confine myself, if I can, to three points. The first is on rehabilitation.

Some 99% of prisoners are released, whether my hon. Friend the Member for Shipley (Philip Davies) approves or not. They are members of our communities, yet over 50% of released prisoners go on to commit further offences. It is in all our interests to break the cycle of reoffending and to do what we can to rehabilitate them. As the Lord Chancellor herself told us earlier, the only legislation we currently have to build on is the Prison Act 1952, which was consolidating piecemeal legislation that gives prisons one role and one role only: to hold those sentenced by the courts.

Truthfully, much good work has been done by those in the sector for many years to stop prisons simply warehousing offenders. It is still welcome, however, that the provisions included in clause 1 establish for the first time a much broader statutory purpose. It emphasises reforming and rehabilitating offenders, preparing prisoners for life outside prison, and maintaining an environment that is safe and secure. It is clear and unequivocal in its purpose, and provides a point of focus for all who work in the prison community. The Minister will have noted the considerable pressure from Members on both sides of the House during the course of the debate to incorporate mental health on the face of the Bill.

The provisions will be supplemented by new standards for governors. Increasing their autonomy is essential if we want genuine improvement. From my many conversations with the governor of HMP Bullyngdon in my constituency, I know that giving him greater control, in particular over decisions on hiring staff, will in itself be transformative.

The Bill lays out clearly the Secretary of State’s personal accountability for the prison system. I was very interested to hear her exchange with my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve). My own experience of administrative law would lead me to believe that this will be justiciable, and my previous experience as a civil servant would encourage me to say that the Secretary of State is being brave—I mean that in a good way, rather than in a civil service way—in taking that power upon herself. Personally, I am very comfortable with judges considering whether a failing prison should be considered by the courts, but I welcome the fact that the Lord Chancellor is taking these powers upon herself for the very first time. It is real proof of how clearly she feels that this is important.

The Bill contains welcome requirements on the Lord Chancellor to respond to both the chief inspector and the ombudsman. Clause 1 adds to the remit of Her Majesty’s inspectorate of prisons, and—the Justice Committee has been calling for this for some years—puts the prisons and probation ombudsman on a statutory footing.

Secondly, the Bill introduces new powers to authorise public communications providers to disrupt the use of unlawful mobile phones in prisons. We know that in 2016 nearly 13,000 mobile phones and sim cards were found in prisons—almost double the number found three years previously. A recent Channel 4 documentary showed viewers how easily they can be brought in by visitors, who, for example, conceal them in Mars bars. The prevalence of mobile phones presents a real security risk by increasing the amount of organised crime that can be carried out daily in prisons. It is absolutely critical that we deal with this. The powers in the Bill will lead to real change.

Thirdly, alongside the increased use of mobile phones, we have seen a horrific rise in the use of psychoactive substances. We do not have recorded incidents before 2015, but in 2015, there were 1,385 incidences of these drugs being used. Sadly, we do not have the updated figures, but we know that these drugs are everywhere in prisons. Indeed, many prisons have a drug freeway, and we can assume that the rest of the prison is not drug free.
NPSs present a real problem and have led to a significant deterioration of behaviour in prisons, as recent unrest has shown. These drugs make prisoners both more aggressive, and thus a threat to others, and depressed, which amounts to a real threat to themselves. The safety of our prison officers is essential, but NPSs are making that increasingly more difficult to ensure. Prison officers need the power to test for these drugs as well as for any new ones that we subsequently identify. I welcome the provision in the Bill to do exactly that. No longer will secondary legislation be needed to rush to keep up with new drugs as they appear.

I am aware from my conversations with her that the Lord Chancellor wants to go down in history as a strong prison reformer. I am looking forward, as are my colleagues on the Justice Committee, to seeing real change in prisons under her stewardship.

8.51 pm

Amanda Solloway (Derby North) (Con): It is a great pleasure to speak in this debate, and I intend to focus on part 1, too. As stated in clause 1, we should aim to “protect the public...reform and rehabilitate offenders...prepare prisoners for life outside prison, and...maintain an environment that is safe and secure.”

I am pleased to sit on the Joint Committee on Human Rights under the excellent chairmanship of the right hon. and learned Member for Camberwell and Peckham (Ms Harman). I have been appointed within the Committee to the role of rapporteur on mental health, and our first inquiry has been into self-inflicted deaths in prisons, based on the Harris report of 2015. In common with others, I have been conscious of previous reports such as the Woolf report of 1991, the Corston report of 2007 on women in prison and, more recently, the Harris report of 2015 on suicide among young prisoners. There are merits in all those excellent reports, which have been welcomed, yet find more people are still taking their own lives in prison—12 women and 107 men in the last year alone.

I have visited many prisons in my role, and the first point to note is that prisons should be and are places of punishment. They do, however, have their challenges and responsibilities when it comes to human rights, so I would like to explore a few of those.

To me, strong leadership is vital, because good practice needs to come from the top and cascade throughout the system. I welcome, of course, the proposed increase in the number of prison officers, because it is undeniable that the system is stretched. We must therefore make sure that the new officers get proper training, and we should also consider existing officers, who might have become demoralised in their work. We should ensure that they, too, are aware of and adhere to the new standards, while being fully supported and trained in the new expectations. This will necessitate a culture change—a change of attitude and behaviour—which requires investment across the board, not just to increase staff levels.

Let me provide a simple example that has nothing to do with money, just good practice. We heard evidence that in one prison an orange file was used if prisoners were suspected of having a mental health issue. Of course no one wants to be branded as having such issues, so prisoners are reluctant to seek medical help in case others see them with the orange folder. With a little forethought, a simple solution arose relating to good practice. Why not use a file the same colour as all the others? It would be no extra cost, but would deal sensitively with the prisoner’s needs.

On my first visit to a prison, I was struck by the amount of banging on doors in cells. At one point, it became unbearably loud with a prisoner striking the wall and door with his chair and shouting at the top of his voice. What really concerned me, though, was that the cell was shared. Imagine being the person who had to share a cell with someone who was kicking off like that. Imagine the impact that would have on your own wellbeing.

At the time I asked a prison officer what the problem was, and was told that the yard time had been stopped because of the weather. When I asked how often that happened, I was told that it happened a lot, and that some prisoners would kick off at night, waking the whole floor. As a result, no one would get any sleep, and the next day they would all be irritable. The problem just goes on. We must ensure that enough exercise and association time is provided, and that the time in the cell is not excessive. I welcome the fact that an increase in the number of prison officers will make that possible, but please, please, we must consider time outside the cell even if it is raining, because the frustration and anger are evident if that is not allowed.

A great deal needs to be done. I welcome the Bill’s aim of reforming and rehabilitation offenders, but let us not underestimate the challenge of the culture that exists in prisons. Let us not deny that drugs are available, that there is a workforce that needs to be reinvigorated, that a gang culture exists, and that for some prisoners prison is just a way of life.

Dr Wollaston: My hon. Friend is making some compelling points. Given that suicide rates are higher than they have been since records began in the late 1970s, does she agree that the best way of addressing the many important problems that she has raised would be to include in the Bill the mental and physical health needs of prisoners as part of the purpose of prison?

Amanda Solloway: I thank my hon. Friend for her comments. I am about to make some further suggestions.

I have heard accounts of returners walking through the doors, winking at the officers, and saying, “Ay up guv, it’s me again.” However, I have also heard harrowing stories of prisoners with mental health issues and learning disabilities who had absolutely no idea why they were there. Of course, people find themselves in prison with mental health issues for several different reasons. The condition may be triggered by the use of new psychotic substances, there may be an existing addiction to drugs or alcohol, or there may be existing but unidentified mental health issues. There is increasing evidence that veterans are entering the prison system with mental health issues, often with too much pride to admit there is a problem, and ultimately taking their own lives. Organisations such Care after Combat are working to tackle that, but we need to identify it before such tragedies occur, and educate officers and others.
We must ensure that a mental health assessment is carried out thoroughly on arrival, and is subsequently ongoing; that we have good, strong leadership; that we increase our investment in people, resources and training; that existing officers are reinvigorated and trained; that exercise time and association time are always guaranteed; that departments work together with, perhaps, a key worker to bring them together; that families are involved—they need to be involved, and indeed they have to be; and that the time between determination of a mental illness and transfer to a mental health hospital is as brief as possible.

I could speak for much longer, but let me end by saying that at the heart of this issue are people like Dean Saunders. He was not a hardened criminal. His family did not know what to expect from prison, but they knew that Dean had mental health issues. When he was admitted, he was denied treatment. In the words of his mother,

“He was in there for two and half weeks with no medication, no support, and no family support. They took all his rights away, everything”.

Dean had previously tried to take his own life at home. His mother said:

“We fought and saved him that night at home, but part of us wishes we hadn’t, because all we did was to get him locked away for two and a half weeks on his own, with no support and no family contact. He just suffered for two and a half weeks until they let him do it again. At least if he had done it at home we would have been with him.”

I welcome these reforms, because we need them. Instead of just talking about what we should do, we must actually do something.

8.59 pm

Kit Malthouse (North West Hampshire) (Con): Mr Deputy Speaker, I am learning to love my place in the pecking order in this building: first, because I get to hear splendid debates such as this one in their entirety, and in particular the thoughtful and moving speech of my hon. Friend the Member for Derby North (Amanda Solloway); and, secondly, because by my maths, I have an hour in which to speak—[Interuption.] Oh, dear; well, perhaps half an hour. I hope that Members are all sitting comfortably.

Four years as deputy mayor for policing taught me everything I needed to know about the dreary cycle of despair that our criminal justice system had become. The endless merry-go-round of the same people going through the hands of the same organisations year in, year out turned me into a “convicted” penal reformer, so I am extremely pleased to welcome the Bill.

My four years at City Hall left me broadly with two frustrations, which I will share with Members because I think that they have some bearing on the Bill. The first is that while there have been attempts at rehabilitation in the criminal justice system—presumably not as ambitious as the proposals of my right hon. Friend the Lord Chancellor—too often the effort and money were spread far too thinly. The jam in a finite world was spread very thinly across the youth estate and the adult estate to the extent that the marginal difference that the funding or any programme might make was hardly noticeable. The research into rehabilitation programmes attempted in the criminal justice system over the past 30 years shows that not many of them have made a difference above 2% or 3%, and much of that has often been explained away by the characteristics of the people they have been dealing with. While this Bill is extremely welcome and I approve wholeheartedly of the rehabilitative framework in part 1, and although I know that much of the radicalism of the Lord Chancellor’s programme is in the White Paper, I urge her to think carefully about where she puts her resources.

In my view, the earlier we spend the money, the better. We get much more bang for our buck by spending money on offenders aged between 18 and 25 than, sadly, by spending on somebody over 25. The truth about crime is that generally people either grow out of it or become habituated in it. That is why the bulk of offenders tend to be under 25, hence that is where we should be spending the money. If we had endless sums, we would obviously spread the money, but we do not, so I urge the Lord Chancellor to spend it in the way I propose.

My second frustration was the paltry sentences that were often handed out for very serious crimes. Individuals in London who were convicted of quite serious non-fatal stabbings would be given four years and then would be out after 24 months. That really is a disgrace and, as we learned in London, such a sentence is certainly not a significant deterrent to the commission of those kinds of crimes. The truth is that people were being given those sentences and let out that early because of the pressure on the system and the numbers in it. Time and again I would get the message back that the police and the Crown Prosecution Service were nervous about putting cases in front of the courts because of the pressure on prisons, and often because the youth estate was struggling to take the people it should be taking, particularly given that it often had to separate individuals because of gang affiliations.

That means that we need to clear out some space. In short, my view is that we are locking up far too many of the wrong people, but not locking up the right people for long enough. Lots of clever, smart technology-based disposals are available these days for low-level offending, such as tagging and testing. We should be pushing hard and much more enthusiastically to put those measures into effect in this country so that we can clear space in our prisons, meaning that longer sentences can be served by those convicted of serious offences, particularly violent crime.

On part 2 of the Bill—the courts section—I welcome the reforms, and particularly the use of technology, because we know that there are broadly two deterrents to committing crime: first, the probability of getting caught, which is down to the skill of the police; and, secondly, the certainty and swiftness of sentencing. Criminals who are caught and then put before the courts swiftly, and who are certain in the knowledge that they will be convicted and of what their sentences will be, are much more likely to be deterred. Anything that brings about swift and certain justice is therefore to be welcomed.

Overall the Bill is heading in the right direction, but there are three areas in which I would like the Secretary of State to consider welcoming amendments from me. The first is about the probation service. I have long held the view that we will make very little progress on the rehabilitation of offenders outside prison until the police get involved. For my money, probation should be an
[Kit Malthouse]

arm of policing. Offender management in the community should be done by the police. That would be more effective, because they have personnel in those communities 24 hours a day, and they are already monitoring many of the offenders.

Such a change would also yield enormous savings. At the moment, there are double estates, double chief executives and double HR departments, and all the people—probation officers and police officers—are often sitting in the same meeting talking about the same individual. Giving the probation service to the police and letting them manage offenders in the way they are supposed to be managed would be a huge step forward. Let us consider the health service. If we separated GPs into a different department from hospitals, everyone would think we were mad, yet we put the police and the management of criminals coming out of the secure estate into different departments. Bringing probation back would be an enormous improvement. It would signal a step change in offender management on the streets that would make a huge difference, and it would also save money.

The two other amendments are of less significance, but they might help the Lord Chancellor with her budget. The first is to do with coroners courts. I do not know how she voted on this matter, but I am a proponent of assisted dying. I have supported it for a long time, and I think it is the next great liberal cause for this country. However, there is a wrinkle in the law that causes unnecessary distress to those who travel overseas for the purpose of seeking assistance to take their own life. At the moment, if the family of the deceased return from Switzerland with their ashes, there is no inquest and they can scatter them in privacy. If, however, they wish to repatriate the body of the deceased, the coroner has an obligation to open an inquest because the death is deemed to be uncertain. There might well be an autopsy, and a criminal investigation would follow, although a prosecution would not, because the Crown Prosecution Service has already given guidance that it will not pursue the prosecution of people who have travelled overseas for the purpose of assisted suicide.

An amendment to the Bill allowing coroners the same discretion as they have in this country for those kinds of deaths, if they were satisfied of the purpose for the individual travelling overseas, would allow people to bring the body back for burial in the UK. That would save the coroners courts time and money, because several hundred people have now been involved in such cases, and it would also avoid enormous distress for families who naturally want to fulfil the wishes of the deceased, but fear an inquest and prosecution, and therefore opt for cremation overseas. Such a provision would be a small adjustment to remove an inconsistency in the law relating to prosecution by the CPS and what coroners are obliged to do, and it would relieve a huge amount of distress.

The third amendment that I hope the Lord Chancellor will consider relates to charging for alcohol and drugs testing. She might be aware that, some years ago, I managed from outside this place to get alcohol abstinence orders on to the statute book. There was a huge battle in this House and the House of Lords, but in the end we beat the then Lord Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), who objected to people convicted of alcohol-related offences being compelled to be sober for three or six months. Anyway, we got this on to the statute book, but the Government would not agree to offenders being charged for their testing.

In similar schemes overseas, offenders are charged for their testing. In the US, for example, they pay $1 a test—about £1 a test—and that changes the psychology involved. It means that offenders who undergo testing of their sweat, urine or breath take more responsibility for their own sobriety. They are investing in their own freedom. By undergoing the testing, they are avoiding a prison sentence, which means that they can maintain contact with their families and keep their jobs, but they have to remain sober for three or six months. Having to invest a small amount in those tests means that, psychologically, they are taking responsibility for them, and it also means that the scheme is self-funding. Under such a system, police and crime commissioners, who have not taken up this disposal with alacrity, despite the fantastic results when it was tried in Croydon, would have the business case to do so, because it would be a source of funding for them.

Dr Wollaston: Does my hon. Friend agree that the immediacy of consequences has contributed to the success of such schemes overseas? In other words, if someone fails a test, they are immediately taken back into custody.

Kit Malthouse: My hon. Friend is absolutely right. When I was at City Hall, we found that this disposal had taken off like wildfire in South Dakota—the judges loved it; it was enormously effective; recidivism rates were incredibly low; and the compliance percentage rates were up in the high 90s. This is all based on the notion that justice is swift and certain if an offender contravenes the rules of the scheme, and that offenders take responsibility for their own punishment and feel invested in it. Every time they reach for a drink, they have to decide whether they want to stay out of prison. As a result, the disposal has been enormously successful and is spreading across the entire United States. We have the power here; it just needs the small adjustment of allowing the police or courts to charge offenders a nominal amount for testing—money that they were spending on booze or drugs—which would allow them to invest in their own rehabilitation and therefore make some progress.

I welcome the Bill. It is a refreshing step in the right direction of breaking the dreadful merry-go-round with which I lived for far too long.

9.11 pm

Richard Arkless (Dumfries and Galloway) (SNP): I refer the House to my entry in the Register of Members’ Financial Interests: I am a non-practising solicitor, qualified in England and Wales, and in Scotland. I start by paying tribute to the people on the frontline of what some describe as a prison crisis—that is perhaps not the terminology that I would use in front of the Lord Chancellor. Our frontline prison officers have had to deal with the brunt of much of the under-resourcing, the psychoactive substances, and the violence in prisons. Everyone on both sides of the House should make it abundantly clear that we owe them a sincere debt of gratitude. As we go through the recruitment and upscaling
processes, I hope that they will start to feel more wanted in their jobs, which will be crucial in allowing them to help us to develop a more rehabilitative society.

I will touch on a few of the contributions made in this excellent debate before I refer to one or two aspects of the Bill that are of interest to SNP Members. The Back-Bench contributions were kicked off admirably by the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), a gentleman I have grown very fond of in my less than two years in this House. When a Tory Chair of the Justice Committee is telling a Tory Front-Bench team that the situation is grim, we should all listen, but the hon. Gentleman’s tone was constructive, as always. He described some of the more progressive measures in the White Paper and the Bill as radical Tory proposals. I thought that they were moving in the other direction—towards progression—but nevertheless I completely take his point.

The hon. Gentleman also succinctly hit on a real political problem in prison reform: the climate of public opinion. There is a notion that it is unpopular to say—or that this implies that we are somehow soft on crime—that we are motivated to ensure that prisoners receive funding, rehabilitation and life advice when they come out so that they do not do the things that got them inside in the first place. If the Lord Chancellor is willing to take up that battle, she will get great praise from me. That is not an easy political decision to make, and I wish her all the best in fighting that political climate. If she can change it, I will be a fan.

My friend, in the sincerest form of the word, the right hon. Member for Delyn (Mr Hanson) outlined with his usual great clarity the statistics that corroborate the Chair of the Justice Committee’s assertion that the position is grim. He struck an excellent tone and was very constructive, which does not belie at all his two years as a prisons Minister. He made the point, as did the hon. Member for Leeds East (Richard Burgon), that just because we think that elements of the Bill could be improved, that does not necessarily mean that we do not agree with its general thrust. I can say on behalf of my party that we welcome, for the most part, the measures in the Bill.

The hon. Member for Stretford and Urmston (Kate Green), my fellow member of the Justice Committee, tackled one of the most difficult issues head on. She, unlike many, was willing to address the subject of prisoner numbers. Although we can beef up recruitment and beef up the number of prison officers, I agree that we should perhaps consider ways of not filling our prisons with people who are there needlessly. She spoke with great passion about the situation of women and those with mental illness, and I agree that there are so many people in prisons who should not be there and for whom it is not the right place to be rehabilitated. She is brave, and should be commended, for striking that tone.

The right hon. and learned Member for Harborough (Sir Edward Garnier), who is no longer in his place, made an excellent economic and moral case for our prisons being rehabilitative institutions. He said that the principles contained in the Bill are laudable, but he said that there is a difference between those principles and action to drive them through the operation of the prison estate. We will all have to face that challenge.

The hon. Member for Bridgend (Mrs Moon) is just retaking her place. If any Member did not hear her speech, I suggest that they look it up with haste. Her speech was incredible. She spoke of 69% of prisoners at Parc prison in Bridgend having regular family contact, with a 10% reoffending rate, as well as many other statistics. I propose to the Lord Chancellor that we scrap this Bill and devolve prison estate management in its entirety across these islands to the offices of the hon. Member for Bridgend. If we can do across the United Kingdom what Parc is doing, we will have made enormous progress in making our prison estate fit for purpose.

Perhaps the hon. Member for Shipley (Philip Davies) would visit Parc prison, which would be an incredibly enlightening experience. I would pay serious money to be a fly on the wall during that visit. He made a typically robust yet unusually brief contribution and, to be fair, parts of his speech were more balanced than perhaps his reputation would dictate. When he talks about those who assault prison officers being denied early release, it is very difficult to disagree with him. He does not say much with which I agree, but it is difficult to disagree with him on that. Our prison officers face the brunt of the consequences of austerity, as I would describe it, and should they face the brunt of this, too? They deserve more protection, and his proposal would certainly have my ear if it could provide that protection.

Finally, like my colleague and friend from the Justice Committee, the hon. Member for Banbury (Victoria Prentis), I pay tribute to the Minister for Courts and Justice for the interesting and comprehensive one-hour pilot of the digital scheme before the Committee last week. Like the hon. Lady, I was able to apply for divorce and issue an astronomical money claim to my wife at the flick of a button—I am sure everyone, not least my wife, will be delighted to learn that it was fictitious. One thing that occurred to me—[Interruption.] Perhaps the Minister will give me a wee bit of attention so that I can describe it to him.

There seems to be an opportunity relating to costs within the digital construction of case management files online—the legal profession will not thank me for saying that. One of the huge criticisms of the legal profession is that its costs can be inflated, but if we have a digital system in which we can see, step by step, what has happened in each and every case, it might act as a skeleton on which to base standard assessments for costs. The legal profession will not be delighted that I say that, but it strikes me as sensible to have that framework in place. If reduced costs are a consequence of digitising the courts system, I will be very pleased.

Part 1 of the Bill establishes a statutory purpose for prisons, with principles that should guide our administration of the prison estate, but the real issue in prisons, and it is not addressed in the Bill for understandable reasons, is the lack of resource and lack of staff. The Government are rightly embarking on a campaign to recruit 2,500 net new officers to the prison estate. I have heard various figures for what the gross figure would have to be to get to that net figure. It is somewhere between 4,000, as I think the Government have said, and closer to 8,000, as I have heard the hon. Member for Leeds East say on TV. I would like to know how we are getting on with that recruitment drive. I was intrigued yet worried to hear a statement from the Lord Chancellor in her opening speech, although I am sure it was erroneous,
about the progress being made in the 10 prisons we have identified for additional staffing resource. Contrary to that position, we received a letter from the prisons Minister outlining that as at 31 December, six months into the recruitment drive, four of those prisons had lower staff numbers than they had six months before—High Down, Rochester, Hewell, and Wandsworth. In defence of Ministers, let me say that that position may well have been superseded in the 10 weeks that followed, but if that is the case I would be grateful for some clarity on it. I, as much as anybody, want these resources to be befeud up so that we can do the job properly.

One prison where things were static at the end of last year was Wandsworth, which I was lucky enough to visit with the Justice Committee slightly before this recruitment drive started. We did not need to spend long there before we became acutely aware of what the problems were. We had meetings with representatives of the inmates and of the officers, and when 15 convicted criminals are telling us, “We need more prison officers”, that is worth listening to. Clearly many people would think it would not be in these prisoners’ interests to have more prison officers, but these prisoners were being locked in their cell for 23 out of 24 hours and not getting visits. Their natural frustration at that was building up to cause many of the problems we have seen over the past few months.

I asked a question in the House a few weeks ago about the existing staff, because although it is clearly sensible to recruit more staff, we must consider what happens to the existing staff. Part of the estate has had a pay rise, but I ask the Lord Chancellor and the Ministers to consider what that does to the morale of the rest of the estate. The current discontent is not confined to certain prisons—it goes across the board entirely—so we must be very careful when we give incentives to one part of the prison officer population but not to others, as there may be a danger of exacerbating the problem. I say that all of them deserve a pay rise and all of them deserve their roles to be professionalised. It would be great to be updated on progress on that.

One point about prison numbers that I have not heard mentioned today but which is worth mentioning, because it has been raised by the Prison Governors Association, is that prisons have 500 fewer governors than they did seven years ago, as well as 7,000 fewer staff. Parts of the Bill rightly place more responsibility on governors. We have heard lots about the recruitment drive for officers and staff, but nothing about the recruitment drive for governors. Is there a drive to secure more governors, given the extra responsibility that this Bill will rightly bestow upon them?

The Bill extends to Scotland in the sense that it will create a framework for the reserved tribunals remaining in Scotland, and for the most part that means the immigration detention centres and tribunals we have in Scotland. In that context, we welcome these proposals, but Scotland is a smaller jurisdiction and we do not have the same claims management culture that seems to prevail in England and Wales. We have not had the same problem in our prisons that England and Wales has had, but it is not in our interests for the situation there to continue to be exacerbated, and we wish the ministerial team all the best in dealing with it.

In Scotland, Her Majesty’s chief inspector of prisons for Scotland is responsible for the monitoring of Scotland’s 15 prisons, and during 2016 the inspection found that Scotland fulfils its responsibilities to a high degree. The Scottish Prison Service has a bold and ambitious vision to unlock the potential of everyone in prison and transform their lives. Its stated intention is:

“Providing services that help to transform the lives of people in our care so they can fulfil their potential and become responsible citizens.”

Given the contributions I have heard today, I believe most people will agree with that. I have also had the privilege of visiting Dumfries prison in my constituency, and I cannot emphasise enough the difference between what I saw at Wandsworth and what I saw at Dumfries. Dumfries prison does not have the category of dangerous prisoners or the population that Wandsworth prison has, but it is sufficiently resourced and all the staff there are completely motivated to transform the lives of the prisoners. I can only describe the prison officers at Wandsworth as ashen-faced. It was as if they had lost hope. The Justice Committee was there with them, but they did not see it as an avenue for change. They felt they were in a hopeless situation. I know, though, that Ministers acknowledge that.

The Scottish National party does not agree with the principle of private prisons, which we think are for profit and not for public safety. The Justice Committee has heard evidence from the governors of private and public prisons, and I have been struck by the differences. The governors of private prisons are bound by contracts and are not motivated in the slightest to come before the Committee and explain that they are having problems.

Andrew Selous: I am not sure whether the hon. Gentleman is aware, but the prison he has just praised to the rooftops is privately run by G4S.

Richard Arkless: I was not aware of that, but it seems like my friend the hon. Member for Bridgend and her constituency team are running that prison, not G4S. I doubt whether such enlightened and progressive policies would have come from the G4S boardroom; they are much more likely to have come from the hon. Lady. I do not seek to be contentious, though, and if that is the case, I stand to be corrected. I have suggested that the Justice Committee examine the effectiveness of private prisons vis-à-vis the public sector, because it is a legitimate question. If the hon. Gentleman is correct and I am mistaken in my view, such an inquiry will bring out the details. I look forward to the point at which we can have a reasonable, constructive, politics-free discussion.

Michael Tomlinson: As the hon. Gentleman has heard from the former Justice Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous), that it is indeed a private prison—the hon. Member for Bridgend (Mrs Moon) may well confirm it in her own words—will he reconsider his party’s position?

Richard Arkless: It is not for me to reconsider my party’s position; I am merely a foot soldier of my party’s movement. However, I will say that we will be led by the evidence. If the evidence from any future inquiry into the public and private prisons gives me a different impression, I will of course be led by the evidence, not the politics, which the hon. Gentleman is clearly being led by.
Mrs Moon: I thank the hon. Gentleman, whom I consider my friend, for giving way. I suggest that the Justice Committee does visit Parc prison, because the leadership from the director there is essential. These things work only with leadership, quality staff, a whole organisational approach and a commitment to change. I am sure the Chair of the Select Committee would be delighted at what he finds there. I must admit that my staff and I can take no responsibility for the wonderful work there; we can only support it.

Richard Arkless: I reciprocate the hon. Lady’s views on our friendship, for various reasons. I would of course be delighted if the Chair of the Select Committee agreed to visit Parc prison, and I would be even more delighted if the hon. Member for Shipley was with us so that I could take photographs of his ever-changing complexion as he saw the progressive benefits.

Philip Davies: I have visited lots of prisons, and the hon. Gentleman might be surprised to hear that one of my favourite visits was to Grendon prison in the Speaker’s constituency. It is a therapeutic prison, and I was most impressed on my visit there. One of the things I learned was that all the things about being in prison that we would find terrible, most prisoners find easy, and most things that we would find easy, most prisoners find difficult. That taught me—I hope others will take this on board—that we should look at prisons through the eyes of the prisoners, not from our particular perspectives on what might work and does not work in a prison.

Richard Arkless: When I hear interventions of that nature, I sometimes feel that the hon. Gentleman has lightly touch on short sentences. Perhaps he and I can work in Committee on that matter, because the cycle of violence and reoffending is not assisted in any way, shape or form by young people going in and out prison for one, two or three months at a time. It does not work in Committee on that matter, because the cycle of violence and reoffending is not assisted in any way, shape or form by young people going in and out prison for one, two or three months at a time. It does not work.

I am conscious that we want to hear from the Opposition spokesmen and from the Minister, but I have one or two final points to make. The hon. Member for Stretford and Urmston touched on prisoner numbers. Scotland is not immune to having an inordinately high prison population. We do not hide from that fact, but we are committed to challenging the basis on which it arises and to examining the effectiveness of short sentences. We have had a presumption against short sentences and we are consulting on that further. We will be led by the evidence.

I was delighted to hear the Chairman of the Justice Committee, almost at the close of his remarks, very lightly touch on short sentences. Perhaps he and I can work in Committee on that matter, because the cycle of violence and reoffending is not assisted in any way, shape or form by young people going in and out prison for one, two or three months at a time. It does not achieve anything. Effective community payback orders, where those young people are in touch with the community, face the consequences of what has happened and deal with the other aspects of their behaviour would be a much more efficient process.

I am very conscious of the time. I will not touch on the other two or three parts of the Bill, because I am very keen to hear the Front-Bench speakers sum up the debate. I wish the Ministers and the Lord Chancellor well. If it is her ambition to be known as a great prison reformer, then this is a decent start. If she is determined to tackle the public perception myth, then I wish her all the very best in that endeavour.

9.30 pm

Nick Thomas-Symonds (Torfaen) (Lab): I refer at the outset to my relevant entry in the register as a non-practising barrister at Civitas Law.

I thank Members from all parts of the House for the quality of this debate on Second Reading. There is much in the Prisons and Courts Bill that the Opposition can support, not least the very welcome prohibition in the family courts of cross-examination of victims by alleged perpetrators—something that was raised in an urgent question only a couple of months ago by my hon. Friend the Member for Hove (Peter Kyle).

We welcome modernisation and innovation, but we will seek to amend this Bill in Committee to embed the principles of justice and fairness and to ensure that innovations come with safeguards and appropriate statutory reviews. Indeed, our approach to this Bill of holding the Government to account and of not giving them a blank cheque was summed up in the contributions of my hon. Friends on the Opposition Benches. I commend the work that is done by my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) in her chairing of the Joint Committee on Human Rights. She spoke very movingly about the problem of suicides in our prisons.

I commend my hon. Friend the Member for Halifax (Holly Lynch) for her campaign for protections for emergency workers, including for our prison officers, and for speaking up for local justice in Halifax—Halifax could have no finer voice speaking up for it than that of my hon. Friend.

I am grateful to my right hon. and learned Friend the Member for Delyn (Mr Hanson) who drew movingly about mental health in our prisons—something that has come up in a number of contributions this afternoon—and the excessive number of women in custody in 2017. I am also grateful to my right hon. Friend the Member for Delyn (Mr Hanson) who drew on his extensive experience. In particular, he highlighted the issue of prisoners in prisons far too far away from home.

I commend my hon. Friend the Member for Bridgend (Mrs Moon) for her contribution. It was great to hear about Her Majesty’s Prison Parc and the charter mark that it has received. I am grateful, too, to my hon. Friend the Member for Wolverhampton South West (Rob Marris) who made a number of very useful and important interventions as the debate progressed.

With regard to the success of this Bill, it is difficult at times not to draw the conclusion that factors outside it will be at least as important, if not more important, than what is inside it. We are all in favour of rehabilitation and reducing the reoffending rate. The 2,500 extra prisoner officers are welcome, but they do not compensate for the 6,500 jobs that have been lost since 2010.

We are in favour of modernisation of our courts system, but the cuts to legal aid have meant that there are far more litigants in person within our courts system. Similarly, there are measures on employment tribunals in this Bill, but they do nothing to take away the
[Nick Thomas-Symonds]

ideological vandalism of the employment tribunal fees that were introduced in 2013. We welcome online courts, but they should not be at the expense of local justice: they should be a complement to it. In relation to the measures on small claims, I never thought that I would find myself at this Dispatch Box agreeing with the hon. Member for Bury North (Mr Nuttall), but he was entirely right when he said that if we want to tackle fraudulent claims, the way to do it is not to penalise everybody who brings legitimate claims.

We will judge the Bill on whether it will actually deliver. Prisons are its centrepiece, and we know of the problems of violence, overcrowding, drugs and the shortage of prison officers, which the Government have to tackle. The Lord Chancellor, in her opening remarks, talked about turning the situation around, but I remind Conservative Members that their party has been in power for seven years.

I have a confession to make: I have been reading the memoirs of the right hon. and learned Member for Rushcliffe (Mr Clarke). I was interested in what he says about his time as Justice Secretary. He says that when the Conservatives came into power in coalition in 2010, he consulted the Conservative party website to find what its justice policy was, but was somewhat disappointed to find that it was based on “trying to respond to the various campaigns in the tabloid press”. He added:

“Thereafter I did not consult my party’s website again.”

That is probably good advice for the Ministers on the Treasury Bench tonight. The right hon. and learned Gentleman said of his successor:

“When Chris Grayling took over from me as Justice Secretary, he was not at all interested in reforming the prison system in a liberal direction, nor in reducing the prison population.”

Philip Davies: Hear, hear!

Nick Thomas-Symonds: I will come to the hon. Member for Shipley later. The right hon. and learned Gentleman continued:

“Inevitably, therefore, he had to return to seek more savings from the legal aid system. He revived the disastrous proposals for criminal legal aid, which dragged him into prolonged and unsuccessful controversy during much of his term of office”.

I entirely agree that the criminal legal aid changes were disastrous. Those cuts have produced a false economy, because of the proliferation of litigants in person in our courts. That, in turn, puts the success of measures such as live and virtual courts at risk, because one of the risks in that situation is that the person appearing in court is not able to follow or understand the hearing. That might be a challenge in a virtual court with a lawyer present; it is an even greater challenge where there are litigants in person. The Government have to be clear and careful that virtual courts are managed properly and do not end up costing more money than they save.

Similarly, I place on record a note of caution about the idea of online guilty pleas. Although I can see an argument in favour for very simple offences, such as motoring offences that are readily understood, the defendant must know and understand their right to legal advice and understand too right their opportunity to challenge the charge. An online plea removes the opportunity that sometimes comes later in prosecutions before the courts when different charges are ultimately pursued by the Crown Prosecution Service. Nor must online guilty pleas be the thin end of the wedge to extend them to far more complex offences. Finally on online courts, we must never lose sight of the fact that we must have a criminal justice system that is open and visible to the public.

Nowhere is the problem of what is not in the Bill summed up more clearly than in the iniquitous employment tribunal fees, which with issue fee and hearing fee can reach £1,200. If someone has been subjected to discrimination or unfair dismissal, such a fee will be extremely hard to find. Early in the debate, Members discussed the effect that the fees have had, but I will quote the report of the Select Committee on Justice. Incidentally, I commend the work of its Chair, the hon. Member for Bromley and Chislehurst (Robert Neill), who makes such an important contribution to our debates on justice matters. After the introduction of the fees in July 2013, there was

“an undisputed and precipitate drop in the number of cases brought, approaching 70%”.

The Minister made a point about conciliation when intervening on my hon. Friend the Member for Leeds East (Richard Burgon). Well, let me quote the Justice Committee:

“We heard a considerable amount of evidence that, far from encouraging early conciliation and resolution of disputes, employment tribunal fees were having precisely the opposite effect, because there was no incentive for an employer to settle in cases where the claimant might have difficulty raising the fee.”

Therein lies the crux of the problem.

I heard many erudite contributions from the Government Benches, but the one that will really reverberate on employment tribunal fees is the one made by the hon. Member for Huntingdon (Mr Djanogly), who, when my hon. Friend the Member for Leeds East talked about the need to abolish these fees, said that that would encourage something for nothing. Let me say quite openly that someone who has suffered discrimination at work or been subject to an unfair dismissal does not seek something for nothing. They seek access to justice and to assert their legal rights.

Mr Djanogly: The hon. Gentleman must tell me for which other type of application people do not pay a fee. Why is it only employment tribunals for which he does not want fees to be paid?

Nick Thomas-Symonds: Because these are the very people who do not have the money to bring their cases. The hon. Gentleman is so far from reality. With the greatest of respect, although he did make some useful contributions in his speech, he is in a hole when it comes to this issue, so I suggest that he stops digging. His contribution really gets no better with the number of remarks he makes.

The final parts of the Bill are on whiplash claims. I have already said that I agree with the hon. Member for Bury North that the way to deal with fraud is not to increase the small claims track limit in this way. On whiplash, as on everything else, we will judge the Bill and look to amend it in Committee based on what it does for access to justice. That is the central principle on which it must be judged.
The Minister for Courts and Justice (Sir Oliver Heald): We have had an excellent debate this evening. I congratulate this very esteemed and experienced group of speakers: the Chair of the Select Committee, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill); former Justice Minister, my hon. Friend the Member for Huntingdon (Mr Djanogly); my hon. Friend the Member for North West Cambridgeshire (Mr Vara), another successful colleague who actually had my job; my right hon. and learned Friend the Member for North West Norfolk (Sir Henry Bellingham), who has been a Minister in the Department; and former prisons Minister, my hon. Friend the Member for South West Bedfordshire (Andrew Selous). I also congratulate my hon. Friends the Members for Banbury (Victoria Prentis), for Derby North (Amanda Solloway) and for Mid Dorset and North Poole (Michael Tomlinson), who all made excellent contributions. I will comment on some of the other speeches, which were generally very thoughtful. It is obvious that there is a good deal of support for the Bill.

As the Secretary of State outlined at the beginning of the debate, these are vital provisions if we are to make the justice system fit for the 21st century. We are talking about a major reform of prisons, and an important set of changes to the law on the courts that will underpin the transformation programme that is going on at the moment and has the support of the senior judiciary. I pay tribute to those who work in our prisons, courts and the wider justice system. Their commitment to public service and care of the most vulnerable in society is inspiring, and I know that many of them will be following the Bill, which means a lot for their work.

Before addressing some specific matters, I want to clarify how the Bill does some important things and does not do some things that might have been suggested. The provisions in the Bill mean better access to justice and the simpler resolution of cases for people. It is important to reiterate that the Bill has been prepared with extensive user testing and consultation with those affected by the measures. Access to justice will not be compromised by the Bill. Sacred principles of open justice and the rule of law will be protected in a modern system that reflects how people access public services in the 21st century.

A good deal was said in support of the idea of having the statutory purpose of prisons in the Bill—for the first time, it is about not just housing the prisoner, but having to keep the person and the public safe, carrying out reform and rehabilitation, and preparing people for a life outside prison. That new framework is there, and it is important to reiterate that the Bill has been prepared with extensive user testing and consultation with those affected by the measures. Access to justice will not be compromised by the Bill. Sacred principles of open justice and the rule of law will be protected in a modern system that reflects how people access public services in the 21st century.

We are talking about housing, accommodation and good contacts with their family. Those things are all in the Bill, but the right hon. and learned Lady—

Neil Carmichael (Stroud) (Con): Will my right hon. and learned Friend give way?

Sir Oliver Heald: I have not got much time, I am afraid.

I think the right hon. and learned Lady made the point that we might want to see whether there was a solution in secondary legislation, as well as in primary legislation, that might address some of the important points she raised. Of course, the prison rules are secondary legislation, and they already contain a lot of detail about the way in which prisoners should be treated. So it is possible to look at those issues, and I will certainly do that.

The hon. Member for Stretford and Urmston (Kate Green) mentioned the Prison Reform Trust and its suggestion that we should add fairness and decency to the statutory purpose. It is right that those are important considerations in running prisons, but we need to remember that there is already an interlacing of legal obligations that apply in prisons. The right hon. and learned Member for Camberwell and Peckham, with her background in the Joint Committee on Human Rights, mentioned that there are basic human rights—articles 2, 3 and 8—that apply to the way in which prisoners are treated. There is health and safety legislation. There is the duty of care that comes through the law of tort. So it would be wrong to think that there is not protection already, but this is certainly something we can examine further in Committee. I would like to pay tribute to my hon. Friend the Member for Derby North, who has done so much as the rapporteur for the JCHR on the issue of deaths in prison.

My right hon. and learned Friend the Member for Harborough and others asked what happens if a prison does not meet the purpose set out in law. The purpose of prisons is in the Bill, and it is underpinned by the inspectorate’s duty to inspect against the purpose and the aims. It is also protected by the Secretary of State having to respond. I would not say that it is impossible that a case could be mounted for judicial review—to even say that is to press the case too far—but I think it would only be in a case where an individual prison totally ignored or disregarded the purpose, or something of that sort, that it would be grounded. Possibly, these things could also be considered as a factor in another case, where other aspects were being raised.

The right hon. Member for Delyn (Mr Hanson) asked about the update on HMIP’s protocol with the MOJ, and I pay tribute to his experience in this area. Earlier this year, a draft protocol was shared with the Justice Committee and other bodies. The final protocol will be available very shortly, and I can promise that it will be there before the Committee stage. [Interruption.] Very shortly—imminently.

I could say a lot about family engagement, and the Farmer review looks very much at it. It is well understood that maintaining family relationships is a key element in trying to set prisoners on the straight and narrow and that it is very important in rehabilitation.
[Sir Oliver Heald]

The hon. Member for Leeds East (Richard Burgon) asked about the time limits for responding to inspection reports. Action will be taken from day one of an urgent notification by the chief inspector, so immediate energy will be brought to bear. Twenty-eight days is the appropriate period in a really urgent case of that sort. On the Law Society’s concerns about safeguards for online conviction, defenders must opt in to the new procedure, and proper warnings will be available making it clear that if a defendant wants to challenge the case in any way—for example, if they want to argue that time to pay is needed for a financial penalty or that the penalty should be lower because of means or circumstances—then all these things will be made clear. The Bill also provides that in the event of a mistake made, for whatever reason, it will be possible to set aside the conviction or the sentence in order to have the matter dealt with in the traditional way. I am sure that we will discuss this more in Committee, but certainly the idea is to have those protections in place.

My hon. Friend the Member for Huntingdon asked about successful prosecutions of fraud cases in relation to whiplash. The insurance industry data show that in 2015 there were 70,000 cases of insurance fraud worth £800 million. The City of London police insurance fraud enforcement department has secured over 200 prosecutions in the past four years, resulting in over 100 years’ worth of jail time for insurance fraudsters. A lot of action is being taken on this.

On whiplash more generally, the Government note that over a 10-year period when we have seen the number of road traffic accidents fulling and car safety improving, we have had a more than 50% increase in the number of whiplash-related cases. These cases are obviously exaggerated to some extent, and perhaps fraudulent. No Government could ignore these sorts of statistics and not take action. We have not taken extreme options but gone for moderate options such as a tariff of damages for the very minor cases. The tariff does not apply in a serious case of whiplash where the damages would be substantial—it is for cases where the pain and suffering lasts less than two years and is of a minor nature. Against that background, such a tariff is surely a reasonable approach. If there is any element of exceptionality in these cases, then there is a provision to uplift. We say that this approach is proportionate to the scale of the problem.

My hon. Friend the Member for Shipley (Philip Davies) talked about violence against prison officers. I do not totally agree with him about this. I think that if there genuinely is violence against a hard-working and dedicated prison officer—he has been assaulted and it is an offence—we should go further than my hon. Friend suggests. I think that the perpetrator should be prosecuted in court for that violent offence, that he should face swift justice, and that the court should give the full penalty that is right for the offence. I would not say that it is a question of him serving his full time for the original offence, but that he should serve the full time for a serious offence of attacking a prison officer. I take a slightly different view from my hon. Friend on that.

Philip Davies: Can the Minister explain why, with all the assaults on prison officers at the moment, the average amount of extra time that prisoners spend in prison for assaulting a prison officer is 16 days, which is, quite frankly, pathetic and insulting?

Sir Oliver Heald: To be honest, my hon. Friend is looking at something different—adjudications within the prison for an offence of some sort. I am saying that where somebody has been assaulted, the perpetrator should go to court. It should not be an internal adjudication if it is a serious matter. The person responsible should be taken to court and face the full penalty of the law. That is the approach that I would take. I will be interested to discuss the matter further in Committee, and I have no doubt that we will do so.

As a result of the Bill, prisons will be safer. They will be places of reform. Our courts will provide straightforward access for all users. There will be stronger confidence in the justice system. We will enhance our global reputation for the excellence of our legal system. This is a bold, reforming ambition for justice, and I commend it to the House.

Question put and agreed to.

PRISONS AND COURTS BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the Prisons and Courts 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 April 2017.

(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.—(Guy Opperman.)

Question agreed to.

PRISONS AND COURTS 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 Prisons and Courts Bill, it is expedient to authorise:

(1) the payment out of money provided by Parliament of:
   (a) any expenditure incurred under or by virtue of the Act by the Secretary of State or Lord Chancellor; and
   (b) any increase attributable to the Act in the sums payable under any other Act out of money so provided; and

(2) any increase attributable to the Act in the sums charged on and payable out of the Consolidated Fund under any other Act.—(Guy Opperman.)

Question agreed to.
PRISONS AND COURTS BILL (CARRY-OVER)

Motion made, and Question put forthwith (Standing Order No. 80A(1)(a)).

That if, at the conclusion of this session of Parliament, proceedings on the Prisons and Courts Bill have not been completed, they shall be resumed in the next session.—(Guy Opperman.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

INCOME TAX

That the draft Individual Savings Account (Amendment No.2) Regulations 2017, which were laid before this House on 20 February, be approved.—(Guy Opperman.)


Division No. 186] [9.56 pm

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Barclay, Stephen
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, James
Bingham, Andrew
Blackman, Bob
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Brazier, Sir Julian
Brine, Steve
Buckland, Robert
Burns, Conor
Burrows, Mr David
Burt, rh Alistair
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chope, Mr Christopher
Churchill, Jo
Cleverly, James
Collins, Damian
Colville, Oliver
Costa, Alberto
Courts, Robert
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn

Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
James, Margot
Jayawardena, Mr Ranil
Jerrioe, Robert
Johnson, Dr Caroline
Jones, Andrew
Knight, rh Sir Greg
Kwarteng, Kwasi
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Sir Oliver
Lewis, rh Dr Julian
Lidington, rh Mr David
Lord, Jonathan
Loughton, Tim
Mackintosh, David
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
McCarty-Queen, massage
McCarty-Queen, Karl
Menzies, Mark
Mercer, Johnny
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morton, Wendy
Murrison, rh Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Opperman, Guy
Parish, Neil
Pawsey, Mark
Penrose, John
Percy, Andrew
Philip, Chris
Pincher, Christopher
Prentis, Victoria
Prisk, Mr Mark

Pritchard, Mark
Pursey-Queen, Tom
Quin, Jeremy
Quince, Will
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robsindell, Andrew
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Skidmore, Chris
Smith, Henry
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame Caroline
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stride, Mel
Sturdy, Julian
Sunak, Rishi
Swayney, rh Sir Desmond
Swire, Sir Hugo
Sym, Mr Robert
Thomas, Derek
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Michael
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Turner, Mr Andrew
Vara, Mr Shailease
Vickers, Martin
Walker, Mr Robin
Warm, Matt
Wharton, James
Whately, Helen
White, Chris
Whittingdale, rh Mr John
Wigg, Bill
Williams, Craig
Williamson, rh Gavin
Wollaston, Dr Sarah
Wragg, William
Zahawi, Nadhim

Tellers for the Ayes:
Graham Stuart and
Mark Spencer

NOES

Kerevan, George
Skinner, Mr Dennis
Stephens, Chris
Thompson, Owen
Whiteford, Dr Elidith

Tellers for the Noes:
Mike Weir and
Richard Arkless

Question accordingly agreed to.
Universal Credit: Highlands

Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris.)

10.6 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I am grateful for the opportunity to debate the universal credit full service roll-out in the highlands. My constituency was a pilot area for the programme before it went to full service, and at the time I was very wary of the prospect. I was told that that would provide an opportunity to iron out all the problems and difficulties to make sure there were none when it came to full service roll-out, but I am afraid that that has not been the case. The problems have not been ironed out, and the situation is causing pain, anxiety and hardship for people in my constituency.

The aim of the debate is to highlight the problems, to offer solutions to the Minister and, I hope, to get him to accept the need to pause this harmful roll-out. I am sure that the intention behind universal credit was not to cause this type of difficulty, and I am also sure that the Minister is not intent on punishing people by continuing with the programme as it is. I hope that an outcome of the debate will be an understanding by the Minister of the problems that exist and his commitment to take action.

I was grateful to the Minister for a letter that he wrote to me on 14 March in response to my very detailed letter to him. It is important, in the interests of clarity, that I refer to a number of points in that letter. He wrote:

“We are building and developing the universal credit service all the time.”

By definition, “building and development” means that the process is not completed—it is incomplete. In fact, I contend that at the moment the system is unfit for use. During the period in which we were building and developing a house, we would not allow somebody to live in it. That is tantamount to what is happening to my constituents just now—this is dangerous to their health.

My constituency office alone has seen more than 100 cases involving issues with universal credit. That is just us—the number does not include the other agencies involved. The number does not cover the countless many, many more people who are not getting any help at all because they do not know where to turn. One constituent of mine who contacted us is called Ian. He waited for six weeks without any money. He had to eat at a food bank and to go for days without electricity, all with a two-year-old living in his house. That is not acceptable, and he did not even get any explanation of why that happened.

The Minister said in his letter:

“I recognise that Inverness Jobcentre Plus covers a large geographical area, and many claimants live some distance from the Jobcentre. Claimants are required to submit their evidence, for example childcare cost receipts, to the Jobcentre before the end of the Assessment Period.”

Submitting evidence is not that easy, as we found out when another of my constituents, Jane, had to travel from Grantown-on-Spey to Inverness to hand in her childcare vouchers. That is a journey by public transport of an hour and a half each way—a three-hour return trip. It would have been bad enough if, after she had put in her childcare vouchers, that had been the end of it, but the jobcentre lost the data and Jane had to make several more trips. The matter is still not resolved—that is not acceptable. People are not able to upload the information online; they actually have to hand in the vouchers at the jobcentre. Why is it not possible for them to go to another local authority location to take care of the business? There should be far more flexibility in the system.

The Minister went on to say:

“Universal credit is designed as a digital service to be accessed online”—as I have just pointed out, that aspect of the system is not complete—and that if people were having difficulty, they could use an 0345 number. He said further that operators “will offer to call a customer back if concerns are raised over the cost of the call.”

If we look at the issue of digital by design, we find that there is a big gap. Some 17% of people in the highlands have never used the internet, and there are other big areas of digital exclusion.

George Kerevan (East Lothian) (SNP): My East Lothian constituency was the first in Scotland to implement the full service roll-out. Has my hon. Friend had the same experience as us that because so many clients either lack access to IT equipment or are inexperienced at using it, they have to seek help from the citizens advice bureau, local library staff or local social security staff? That has the result that full service roll-out can be implemented only with the addition of massive amounts of staff time from all those bodies?

Drew Hendry: I absolutely agree with my hon. Friend, and I shall provide some further examples in a few moments.

For people who suffer from digital exclusion, that is not the end of the problem, because that 0345 number is, in effect, a premium phone line. Another constituent, Claire, was in tears in my office because she had used up all that credit, she was promised a call back—she was looking for money to feed her children, by the way—but that call back never came. Two days later she appeared in our office, and when we phoned, it took 34 minutes to get through so that we could get an answer on her case.

The Minister said in the letter:

“Our latest data from February has shown a speed of answer time of between 8 and 9 minutes and I can reassure your that more resource is planned”—I can tell him that more resource is definitely required. That is a big change from what I was told in a written answer that I received, and it is as an admission that the length of time is increasing, even if the Government’s figure is not accurate. On 16 December, when I asked the Minister what the average call time was, I was told that it was three minutes 27 seconds. That is clearly not correct, even according to the Minister’s letter. Citizens Advice and my constituency office decided to undertake an experiment in which we timed the calls, so the Minister does not have to take just my word for it.
It took 28 minutes on average to get through to that line. There is a requirement for a free 0800 support line, and I hope that the Minister will take that on board.

In response to my claim that there was no support line for agencies or MPs, the Minister’s letter said:

“As I mentioned earlier Universal Credit is designed to be accessed online”,

and that there is a “once and done” service. It might be “once and done” for the DWP, but it is certainly not “once and done” for my constituents who are under pressure.

Deidre Brock (Edinburgh North and Leith) (SNP): Last week, during the joint meeting of the Scottish Parliament’s Social Security Committee and Westminster’s Scottish Affairs Committee, a representative of Inclusion Scotland said that the Department for Work and Pensions had a “digital by default” approach to universal credit. That approach penalises people with sensory impairments and learning difficulties, quite apart from those who are not computer-literate. Does my hon. Friend agree that it should be possible to contact the DWP by whichever means is most appropriate to claimants’ circumstances?

Drew Hendry: Hear, hear. As I said, I believe that the “once and done” approach applies to the DWP, not the outcomes for constituents. I agree entirely with my hon. Friend.

The Minister’s letter states:

“The Department feels that a support line would cut across this relationship and create delays and confusion.”

I have news for the Minister: there is already a great deal of confusion and an awful lot of delays, which are causing people problems.

On arrears, the Minister’s letter states:

“This is a complex issue and our research shows that many people are coming onto Universal Credit with pre-existing arrears.”

Perhaps the Minister could tell that to John, a constituent of mine, who lived in the same house for three years. When he was transferred to universal credit, he found that he was waiting for 12 weeks—three months—for support. That was too long a wait for his landlord, and he was served with notice of eviction. The landlord was nice to him about it, but explained that she could not possibly wait because she in turn was getting into financial difficulties.

Landlords are waiting for an average of 10 weeks, and many are losing patience. Many are now saying, in signs in their windows and in their advertisements, “No universal credit”, because they do not want to take the risk. The proportion of tenants of Albyn Housing Society, a housing association, who are not receiving universal credit and are in arrears is 22%, whereas the proportion of its tenants on universal credit who are in arrears is nearly 100%. The average universal credit claimant arrears amount in the highlands is £900. Highland Council’s arrears through universal credit have risen by 82% since September and now amount to nearly £1 million. Just in case the Minister is wondering, I should add that the council deducted previous arrears from that. The increase is 100% due to universal credit. Services will be affected unless something is done.

The Minister said in his letter:

“We have taken a number of steps to…prevent claimants from falling into arrears.”

The six-week minimum wait puts claimants in arrears by default. By definition, someone who is waiting for the money to come through will not be paying rent and will already be in arrears. My constituent Gavin’s rent is £175 a week. Under the old system, he received £168 a week in housing allowance, which meant that he had to find £7 from his other entitlements. That was not an easy job for someone on benefits, but it was do-able. Now, under universal credit, he receives £60 a week. Even if he does not eat or turn on the power—even if he does nothing and sits still—he cannot pay his rent. He is automatically in arrears.

The Minister’s letter advised me to look at “details about the payments process”, which “can be found in the Third Party Creditor/Supplier Handbook”. The date of the handbook is March 2015, two years ago. It is out of date, as is the information that the United Kingdom Government are obtaining to defend their position.

There are other issues, and I could spend a great deal of time giving more examples. I hope that the Minister will accept one of the many invitations he has received to visit my constituency and hear for himself, from people and agencies, the travails that are being experienced. However, one issue that I think is particularly damning was raised by Macmillan Cancer Support. Sometimes people who are terminally ill choose not to have their diagnosis given to them directly, because they just do not want to know—they want to live out their lives as they choose. However, universal credit forces claimants to declare themselves to receive their entitlement, which means that they must be told in order for them to make their claim and be put into a work group. Two things are wrong there. First, it is wrong that they should have to do that, so I hope the Minister will take early action to sort that out. Also, why would they be put into a work group? There is no need for them to go into any work group.

So what needs to be done? The Scottish Government will use their 15%—a very small amount—of devolved power for the welfare system to bring about fairness and dignity, but they have no control over this. All the Minister can ask them to do is to put in more money to cover UK Government issues. Citizens Advice asked for an additional single non-refundable payment to bridge the six weeks of hardship between going off the standard system and on to universal credit. It wants the UK Government to give a choice on the housing element, so that it can be paid direct or as part of a single payment. It, too, is calling for 0800 free helplines, and it wants jobcentre support for those lacking computer skills.

The roll-out of universal credit can only be described as shambolic. It is punishing families, the disabled, the unemployed and the most vulnerable. There is a damning litany of failure, confusion, heartache and indignity, and a crushing drive towards increased poverty under the universal credit system. The problems include long delays to payments, short payments, lost sick notes and childcare receipts, misplaced documents, failures to respond, and confusion between departments.

The universal credit full service roll-out should be halted until it is fixed. The UK Government must bring in additional flexibility so that people are able to receive what they need in order to survive. There needs to be an
acknowledgement of the situation, and an effort to fix and compensate for the Highland Council rent arrears that have been run up to date.

10.21 pm

The Minister for Employment (Damian Hinds): I congratulate the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) on securing a debate on this important matter and bringing his feedback and critique to the Floor of the House today.

I recognise the concerns that have been raised, and I want to reassure the hon. Gentleman that work is already well under way to improve delivery. Today’s debate presents an opportunity to share some of the ways in which the Department has sought, and is seeking, to resolve obstacles to this ground-breaking project.

There are now 470,000 people on universal credit, 2,400 of whom are in the hon. Gentleman’s constituency. As we would expect of a full-scale reform programme of this magnitude, there have been challenges along the way, but I assure hon. Members that we are working quickly to deal with them to ensure that UC is delivered safely and securely. I recognise specifically that the hon. Gentleman has encountered a number of universal credit claimants who have had issues with the service, and I am aware that he has already been in discussion with the Department for Work and Pensions district manager for the north of Scotland, who has invited him into the local jobcentre to assist in mutual understanding of the issues. I also acknowledge what the hon. Gentleman says in outlining occasions where things have gone wrong—if something has been mislaid and so on—and, of course, for those occasions I am sorry.

I commend what the hon. Gentleman is doing both for and with local organisations and his constituents. Bringing together local stakeholders, trying to address the details, and helping people to solve problems is important to ensuring the safe delivery of this historic reform. The hon. Gentleman has spoken, too, of the reform. The key motivation is to create a welfare system that more closely mirrors the world of work. Our research shows that the majority of UC claimants are comfortable managing their own budgets. Furthermore, we know that after four months, the proportion of UC claimants who were in arrears at the start of their claim fell by a third.

Drew Hendry: I welcome the Minister’s words in recognising the issue, and I think that is the right thing to do. Before the roll-out continues into the rest of the highlands, will he take up my offer of coming to visit, to speak to the organisations locally and understand directly what is happening to claimants in my constituency?

Drew Hendry: I commend the hon. Gentleman’s offer. The Gentleman for that purpose. I welcome the opportunity to speak to local organisations throughout the country. My most recent visit to a jobcentre was this morning, and I plan to make another on Thursday. There are several hundred jobcentres throughout the country, and my aim is to get representative feedback and critiques to help our understanding of these issues. I also welcome the communication that I have had from and with the hon. Gentleman in that regard.

George Kerevan: Will the Minister give way?

Damian Hinds: I will not, if the hon. Gentleman will forgive me.

We have established a dedicated team of employer and partnership staff, who are deployed to engage directly with stakeholders, including local authorities and landlords, to ensure that there is a joined-up approach to supporting universal credit claimants.

I know that housing arrears are an area of concern, which is why that is a regular subject of discussion in our Highland operational forum. Discussing the issues in this way has led to the introduction of some effective troubleshooting measures. To begin with, we are embarking on a specific piece of work to monitor Highland Council cases involving housing costs, to try to establish the root causes of any delays in the process. I appreciate the concerns over rent arrears. I know that it is an issue that matters to a lot of people, but the reality is that a lot of complex, overlapping factors are at play. The roll-out of universal credit is by no means the sole factor contributing to arrears. Let us consider for a moment that, according to the latest report published by the National Federation for Arm’s-Length Management Organisations, over three quarters of its ALMO tenants who have fallen into arrears were already behind with their rent before commencing their universal credit claim.

Some of the rent arrears are clearly attributable to the charging policies of landlords that can create book arrears from the outset of a tenancy. This is a simple definitional point. A landlord who previously charged rent on a weekly basis will of course appear to be missing rent payments under the new system, which pays claimants’ housing costs on a monthly cycle in arrears. We have been clear about the reasons for this change. The key motivation is to create a welfare system that more closely mirrors the world of work. Our research shows that the majority of UC claimants are comfortable managing their own budgets. Furthermore, we know that after four months, the proportion of UC claimants who were in arrears at the start of their claim fell by a third.

Drew Hendry: Will the Minister give way?

Damian Hinds: If the hon. Gentleman will forgive me, I want to make sure that I cover all the points, but if there is still time afterwards, I will of course give way. Ultimately, the fact that many people are coming on to universal credit with pre-existing arrears is contributing to the overall rent arrears issue. Please let me reassure the House that there are safeguards in place for claimants, including advances, budgeting support and alternative payment arrangements, and research shows that claimants successfully reduce their arrears over time.

This work goes hand in hand with our work on improving the number of claims put in payment by the end of the first assessment period. This includes refining the customer journey, improving the payment of housing costs, improving communications to landlords and local authorities, and streamlining the way in which information is verified. Those in the project team regularly monitor the timeliness of payments, and if they identify delays,
they quickly take action. I can confirm that there is a positive trend in the hon. Gentleman’s constituency, with significant improvements in timeliness month on month.

I recognise that rural areas such as the Highlands might face particular challenges. Indeed, concerns were raised by colleagues regarding the pace of roll-out. We listened to those concerns and, in tandem with a buoyant local labour market, we made the decision to adjust the roll-out schedule at remaining Highlands sites. We have moved the target roll-out date for remaining Highlands sites—Dingwall, Fort William, Invergordon, Portree and Wick—back from November 2016 to July 2017.

I am also aware that some claimants have reported that they face increased travel times to meet their work coach and hand over documentation. In response to that, we have made changes to the design of the universal credit digital service so that, before the end of this year, claimants will be able to upload certain evidence to the online system. I should also mention that claimants can deliver evidence at any time during the monthly assessment period. This gives claimants valuable leeway to find a convenient time to visit their local office or to make use of the postal service to deliver evidence. Although universal credit is oriented around claimants making use of the online service, claimants can also telephone their service centre for help and support or to exchange information. I reiterate that the service does not involve claimants having to dial a premium rate number. Ofcom regulations require all phone providers to treat calls to 03 numbers the same as a call to a normal home or business landline. If claimants remain concerned about the costs of calling, they can, as the hon. Gentleman acknowledged, ask to be called back.

I appreciate that the hon. Gentleman’s constituents have also reported excessive wait times on such calls. We recognise that improvements can be made in that area, which is why we have committed additional resources to reducing waiting times. The latest data show that claimants are now waiting a maximum of eight to nine minutes before their call is answered. With even more resource being invested throughout March to support telephony service levels, I feel confident that the long wait times reported in the local area will become a thing of the past.

I was also pleased to know that an agreement has been reached at a local level—I believe to the satisfaction of the hon. Gentleman—in connection with the case of one of his constituents experiencing particular problems with delivering evidence to the Department about childcare costs, involving that constituent posting verification direct to Inverness jobcentre and also sending things by email.

Several hon. Members have previously expressed concern about the procedures under universal credit that determine whether a Member of Parliament can access the personal details of their constituents. If they are not already aware of it, I draw hon. Members’ attention to the statement made by my right hon. Friend the Secretary of State for Work and Pensions on 13 March, in which he agreed that the implicit consent arrangements that exist in legacy benefits can continue for MPs within universal credit. That will ensure that MPs are able to act quickly on the behalf of their constituents. I hope that hon. Members will also feel reassured about that helpful change.

**Drew Hendry:** First, on the subject of avoiding arrears, I have given a couple of examples of where debt by default, not digital by default, is happening with universal credit. What is the Minister going to do to tackle that? Secondly, on the ability of Members to contact somebody on behalf of a constituent, that may be what has been said in this Chamber, but the reality is that that message has not reached the people on the ground. There is confusion every day about who can access what information at what stage.

**Damian Hinds:** Of course I recognise what the hon. Gentleman says about the need to continue working on the housing issues that we have been discussing. That is a matter of ongoing work. The change on implicit and explicit consent is quite recent, but I will endeavour to ensure that it is clearly understood in the Inverness jobcentre.

The hon. Gentleman also referred to the freedoms afforded to the Scottish Government under our devolution arrangements. We continue to work closely together with Scottish Government colleagues to implement the Scottish flexibilities that have been agreed. We have listened to Scottish Government colleagues who said that they needed action earlier and, in response, we introduced the alternative payment arrangements easement in April 2016, which pushed back the APA claimant review date to 24 months. Discussions with the Scottish Government are progressing well, and DWP officials continue to work positively, openly, and collaboratively on the detail of the administrative flexibilities.

Let me be clear, though: under the universal credit Scottish flexibilities, the Scottish Government have the power to pay the UC award fortnightly instead of monthly, to implement alternative payment arrangements for 100% of cases, and to pay the housing element of universal credit direct to the landlord. Although we do not think that is the best approach, we fully accept their right to do so and look forward to them actioning those matters quickly. We further acknowledge that they have the powers to create new benefits, to top up existing benefits, and to provide discretionary payments in any area of welfare. Again, we look forward to them speedily delivering on and making full use of those powers.

I recognise that there are areas for improvement in the service, but with every release of new software and every new office that goes live with the full digital service, enhancements are made that improve the experience of using the service for staff, claimants, landlords and our delivery partners. The hon. Gentleman has seen for himself the drive, commitment and passion that so many of our staff, stakeholders and people across the programme have. They want to see this revolutionary welfare reform through, and I am certain that they will.

**Question put and agreed to.**

10.35 pm

*House adjourned.*
The House met at half-past Eleven o’clock

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

1. Rebecca Pow (Taunton Deane) (Con): What steps he plans to take to increase the number of opportunities for domestic students to study medicine. [909354]

The Secretary of State for Health (Mr Jeremy Hunt): We are funding 1,500 additional medical school places each year to ensure that the NHS can continue to deliver safe, compassionate and effective care well into the future. Around 500 places will be made available in September 2018, and the remaining 1,000 places by September 2019.

Rebecca Pow: In Taunton Deane, we are desperately short of trained health professionals, from dermatologists to nurses, but one of the worst shortages is of GPs, with some practices not even able to get locums. I know Ministers are working on this, but could my right hon. Friend update me on what the Department is doing to encourage more medical students to become GPs? It is hard to believe they do not want to come to Somerset, but what are we doing to encourage them?

Mr Hunt: There is no greater champion for Somerset than my hon. Friend. What I would say to her is what I would say to all medical students, which is that general practice is going to be the biggest area of expansion in the NHS over the coming years; in fact, we are planning to have the biggest increase in GPs in the history of the NHS.

Mr Ben Bradshaw (Exeter) (Lab): It will take many years for the doctors the Secretary of State has just talked about to come on stream, and we have a workforce crisis in the NHS now, partly because of the cuts the Government made in the last Parliament, but also because of their irrational pursuit of the hardest of Brexits. He could do something very simple today to address this crisis in the short term, and that is to announce that all EU nationals who do vital work in our NHS will be able to stay when we leave the European Union.

Mr Hunt: The one simple thing the Government are not going to do is refuse to listen to what the British people said when they voted on 23 June. We will do what they said—it is the right thing to do. However, the right hon. Gentleman is absolutely right to highlight the vital role that the around 10,000 EU doctors in the NHS play in this country. I can reassure him that the number of doctors joining the NHS from the EU was higher in the four months following the referendum result than in the same four months the previous year.

23. [909376] Helen Whately (Faversham and Mid Kent) (Con): Does my right hon. Friend agree that Kent, with its excellent academic institutions and strong life sciences sector, would be an ideal location for a new medical school, and will he support emerging plans to establish one?

Mr Hunt: I can absolutely confirm that the garden of England would be an ideal place for a new medical school—alongside many other parts of the country that are actively competing to start medical schools as a result of the expansion in doctor numbers. It is an independent process run by the General Medical Council, and we will await what it says with great interest.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On this wonderful first day of spring, will the Secretary of State think anew about the training of GPs? We want more GPs, we want them highly trained and we want them to know that someone who suffers from atrial fibrillation should not be neglected and should not be put on aspirin or warfarin, but should be given the new anti-coagulants.

Mr Hunt: The hon. Gentleman speaks very wisely about this, and he is one of a number of people who say we need to look at the training we give GPs on patient safety, on growing, new areas like mental health, and on things like the identification of cancers. This is something we are having an ongoing discussion with the Royal College of General Practitioners about.

Sir Simon Burns (Chelmsford) (Con): Given the importance of training new doctors and nurses to the future of the health service, will my right hon. Friend welcome the building, which will commence later this summer at the Anglia Ruskin University in Chelmsford, of a new medical school that is solely there to train doctors to meet the needs of people in Essex and beyond its borders?

Mr Hunt: I absolutely welcome that, and I know my right hon. Friend has personally championed it as a local MP. The historical mistake that those on both sides of the House have made is not to do long-term workforce planning for the NHS, and that is something we want to put right.

Dr Philippa Whitford (Central Ayrshire) (SNP): Plans to train more UK doctors are absolutely welcome, but the Secretary of State knows that it takes at least 10 years to train a doctor, so what is his response to the surveys by the British Medical Association and the GMC showing that, having been left hanging for nine months, 40% to 60% of EU doctors are thinking of leaving?
Mr Hunt: My response is the one I give many times in this House, which is to stress to all those doctors how valued they are as critical parts of the NHS. We do not see any evidence of the number of doctors joining from the EU going down. The NHS is one of the best health services in the world, and it is a great place for people from other countries to work and train.

Dr Whitford: The workforce is one of the biggest challenges right across the nations of the UK, and particularly in rural areas, as we heard earlier. With a 92% drop in the number of EU nurses coming to the UK and a 60% increase in the number who left last year, how does the Secretary of State plan to avoid an NHS staffing crisis immediately post-Brexit, before there is time to train anybody extra?

Mr Hunt: The hon. Lady needs to be very careful in her use of statistics, because she will know that one reason for the drop in the number of nurses coming from the EU is that prior to the Brexit vote we introduced much stricter language tests, as that is better for the safety of patients and a very important thing that we need to get right. We are very confident that nurses will continue to want to work in the NHS, because it is a great place to work.

A&E Waiting Times

2. Dr Rosena Allin-Khan (Tooting) (Lab): What estimate has he made of the number of patients who waited more than 12 hours for treatment in A&E in the last 12 months.  

Mr Hunt: Thank you, Mr Speaker. To continue, let me say that in this so-called "drastically underfunded NHS", the hon. Lady’s local hospital—St George’s in Tooting—now has 36 more doctors working in A&E than there were in 2010. However, we also think that as a lot of people go to A&E departments with minor injuries and things that can be dealt with by GPs, we need to have GPs on site, and this Parliament we are planning to have 5,000 more doctors working in general practice.

Christian Matheson: In January, more than 1,000 patients at the Countess of Chester’s A&E unit had to wait more than four hours and only 81% of patients had to wait less than four hours. Now that the 95% target has been abandoned, until at least midway through next year, what guarantee can the Secretary of State give my constituents that we will not get a repeat of this next winter?

Mr Hunt: On the contrary, we have not abandoned the 95% target—we have reiterated its importance. There is, however, one part of the United Kingdom that has said it wants to move away from the 95% target—Wales. The Welsh Health Minister said last week:

“You can go to A&E and be there five hours but have…a good experience.”

That is not looking after patients; it is giving up on them.

Jason McCartney (Colne Valley) (Con): On this important issue of A&Es, does the Secretary of State agree that it makes no sense at all for my local clinical commissioning group to be bringing forward a business case to spend an extra £300 million on bulldozing Huddersfield royal infirmary and downgrding our A&E?

Mr Hunt: I recognise the very strong arguments my hon. Friend makes and the strong campaigning he does on behalf of his constituents. We are waiting for the final recommendations to come from his local CCG, but I agree that too often we have closed beds in the NHS when we do not have alternative capacity in the community, and we need to be very careful not to repeat that mistake.

Huw Merriman (Bexhill and Battle) (Con): The cost of presenting with a minor ailment at a pharmacy is only 10% of the cost of presenting at A&E. What more can be done to help persuade those who present themselves to A&E that the pharmacy sector could be a better use of their time?

Mr Hunt: I entirely agree with my hon. Friend on that. Despite the current debates, the pharmacy sector has a very bright future, and we have set up a £40 million integration fund precisely to help pharmacists to play more of a role in the NHS and, in particular, to reduce pressure on A&Es.

Justin Madders (Ellesmere Port and Neston) (Lab): This year, the winter crisis in A&E has been the worst ever. Things have got so bad that, rather than waiting in A&E, record numbers of people are just giving up—I am sure there are many who wish the Secretary of State would do likewise. In January, nearly 1,000 people were stuck on trolleys waiting more than 12 hours to be
admitted to A&E. Will the Secretary of State accept that that is far more than just a small number of isolated incidents? After five years in the job, he has to accept responsibility for the crisis he has created.

Mr Hunt: I accept responsibility for everything that happens in the NHS, including the fact that, compared with 2010, we are seeing 5,000 more patients within four hours every single day. We are also seeing a big increase in demand, which is why there were particular measures in the Budget to make sure that we return to the 95% target, including £2 billion for social care, which is £2 billion more than the Labour party promised for social care at the election.

Tom Pursglove (Corby) (Con): The urgent care centre at Corby has done much to relieve the pressures on Kettering A&E, and it is a class leader. Given the announcement of £100 million for new triaging projects, would the Secretary of State like to visit the Corby urgent care centre to see this beacon of best practice at first hand?

Mr Hunt: That is a very generous offer, and if I possibly can, I would love to take my hon. Friend up on it.

Cough-assist Machines

3. John McNally (Falkirk) (SNP): What steps his Department is taking to ensure that clinical commissioning groups follow best practice commissioning policy on access to cough-assist machines for people with muscle-wasting conditions.

The Parliamentary Under-Secretary of State for Health (David Mowat): Cough-assist machines are one of a variety of respiratory treatments that may be appropriate for sufferers of conditions such as motor neurone disease or muscular dystrophy. In the end, it is a matter of clinical judgment.

John McNally: There are good examples of best practice cough-assist commissioning policies for muscle-wasting conditions that can be followed by health boards and CCGs. Given the hard work being done to extend the lives of those who suffer from muscular dystrophies, what support and assistance can the Department provide to Muscular Dystrophy UK to ensure that such policy is more widely adopted?

David Mowat: It is not for the Government to direct clinicians regarding the efficacy of particular treatments; it is for clinicians to decide, based on guidance from the National Institute for Health and Care Excellence and others. In developing its recent motor neurone disease guidance, NICE found that the evidence base for the routine use of cough-assist machines was weak. However, the matter is kept under review, so that may change as and if new data emerge.

NHS: Export of Procedures

4. Charlotte Leslie (Bristol North West) (Con): What assessment he has made of the effectiveness of the export of procedures developed by NHS professionals.

The Minister of State, Department of Health (Mr Philip Dunne): Many NHS bodies work with their international peers, and each makes its own assessment about the effectiveness of intended collaboration, rather than any determination being made at a national level. Trusts should only pursue opportunities that deliver value for money and do not impair their ability to deliver NHS services.

Charlotte Leslie: A team of clinicians at Southmead hospital in my constituency, led by Professor Tim Draycott, have developed and are now exporting internationally a system of maternity healthcare that is transforming maternity safety and childbirth. What is the Department doing to provide further support and ensure that the evidence base the team have developed is embedded and incorporated in policy making in this place?

Mr Dunne: My hon. Friend will be aware that the professor to whom she refers has presented his findings to the Secretary of State. Partly in response to that, we have set up an £8 million innovation fund to help to take such initiatives forward and to spread best practice throughout the country.

Keith Vaz (Leicester East) (Lab): May I endorse what the hon. Member for Bristol North West (Charlotte Leslie) said? In the area of diabetes, for example, our country has some of the best clinicians in the world. Will the Minister ensure that the next time the Prime Minister goes on an official delegation she takes one of these professors with her to show the rest of the world what we are able to do for conditions such as diabetes?

Mr Dunne: The right hon. Gentleman is an acknowledged expert on diabetes. I have visited facilities around the world, including in Abu Dhabi, where Imperial College London has a joint venture with the diabetes centre there. The UK is an acknowledged expert, and we are launching the national diabetes prevention programme, which will roll out across 10 pilot sites for type 2 diabetes prevention work. I shall encourage the Prime Minister to consider the right hon. Gentleman’s proposal that we expand that work on other trade visits, certainly those for health, around the world.

Mental Health Treatment

5. Paula Sherriff (Dewsbury) (Lab): What steps his Department is taking to reduce the number of mental health patients having to travel out of their local area for treatment.

The Secretary of State for Health (Mr Jeremy Hunt): This Government were the first to set a national ambition to eliminate inappropriate out-of-area placements by 2020-21. By then, no adult, child or young person will be sent away from their local area to be treated for a general mental health condition.

Paula Sherriff: I thank the Secretary of State for his response. My 17-year-old constituent Jess needed an acute mental health bed. The nearest available was in Colchester. She was allowed to go home some weekends, but it meant an 800-mile trip for her mum. We can only imagine the emotional and financial hardship that that caused. The Secretary of State tells us that he is working
on this matter, and I believe that he does want to improve things, but what progress has actually been made, as this is really, really not good enough for Jess and others?

Mr Hunt: I agree with the hon. Lady and she makes her case very powerfully. We need to make progress and we need to make it fast, particularly for young people, as their recovery can be very closely linked with the potential of their parents to come to visit them. Nearby places such as the Sheffield Health and Social Care Foundation Trust, which do not serve her constituents, have eliminated out-of-area placements and saved £2 million in the process. It is about spreading that best practice.

16. [909369] John Howell (Henley) (Con): Schools are often the first point of contact for young people with mental health problems. Does the Secretary of State share my view that we must ensure that school-age children have access to mental health services wherever they are?

Mr Hunt: My hon. Friend speaks very wisely on this matter. In the end, schools are a vital place in which to spot mental health conditions early. We know that around half of mental health conditions become established before the age of 14, and this will be a big part of the Green Paper that we publish later this year.

Ms Margaret Ritchie (South Down) (SDLP): Does the Secretary of State recognise the ways in which poverty, the associated financial strain and deprivation intersect with mental health; understand the need for him to work with the Secretary of State for Work and Pensions to ensure that mental health is properly recognised in personal independence payment assessments; and recognise that the problem is more acutely affected if people have to travel out of their area of residence?

Mr Hunt: I can reassure the hon. Lady. That I have had a number of discussions with the Secretary of State for Work and Pensions. Indeed, we are producing a joint Green Paper on health and work precisely to make sure that we address those issues.

Philip Davies (Shipley) (Con): Some innovative and award-winning work is being done by Bradford District NHS Care Trust. It is working alongside excellent voluntary organisations and charitable organisations such as the Cellar Trust in Shipley, which is delivering much improved support for mental health patients. Will the Secretary of State congratulate the work that is being done in Bradford, and would he like to pay a visit so that he can share this best practice with other parts of the UK?

Mr Hunt: I am happy to congratulate the Cellar Trust, and to pay a visit if I can find the time to do so. My hon. Friend is right to say that voluntary organisations play a vital role. Very often, they can see the whole picture and they treat the whole person, not just the specific NHS or specific housing issue, so he is right to commend its work.

Barbara Keeley (Worsley and Eccles South) (Lab): Recent figures show that 18 mental health patients were placed more than 185 miles away from their home for treatment, including five from the northern region—Jess is one such example. Their families will have to travel the equivalent of Manchester to London, or further, to visit them. We have also learned that £800 million was taken out of CCG budgets, which could be funding services such as mental health in-patient beds, just to help NHS England balance the books. Will the Secretary of State tell those patients and families why they should be treated so far from home when their local CCG should be able to fund the in-patient beds they need?

Mr Hunt: With great respect to the hon. Lady, we are the first Government to count out-of-area placements, and to commit to eradicating them. What she does not tell the House is the context, which is the biggest expansion in mental health provision anywhere in Europe, with 1,400 more people being treated every single day, and an extra £342 million being spent this year on mental health compared with last year.

GP Recruitment

7. David Mackintosh (Northampton South) (Con): What steps his Department is taking to help recruit GPs. [909360]

The Secretary of State for Health (Mr Jeremy Hunt): As part of our plan to improve access to general practice, we are taking steps to ensure that there will be an extra 5,000 doctors by 2020. We are increasing the number of GP training places, recruiting up to 500 doctors from overseas and encouraging doctors who have retired to return to general practice.

David Mackintosh: I am aware of a number of issues with the recruitment of GPs in my constituency, such as at St Luke’s surgery in Duston. Will my right hon. Friend meet me to discuss the issues with that surgery in particular?

Mr Hunt: I am very happy to meet my hon. Friend. He will know that the surgery got an £80,000 grant this year through NHS England’s general practice resilience scheme, but I am aware that there are lots of pressures on surgeries such as St Luke’s and I am happy to talk about it further.

Melanie Onn (Great Grimsby) (Lab): I am delighted to hear the Secretary of State issue some information about the additional GPs who will be coming on stream in the coming years. How many will be coming to north-east Lincolnshire and when will they be there? We have a critical shortage of GPs and people are struggling to get appointments.

Mr Hunt: The hon. Lady is absolutely right that areas such as Lincolnshire find it particularly difficult to attract GP recruits, which is why we have set up a fund that gives new GP trainees a financial incentive to move to some of the more remote parts of the country. This is beginning to have some effect, and I am happy to write to her with more details.

Andrew Selous (South West Bedfordshire) (Con): I warmly welcome the Secretary of State’s efforts to recruit more GPs, and I know that he wants all GPs and, indeed, doctors to have high levels of job satisfaction. Is he aware of the fact that reasonable numbers of
Mr Hunt: My hon. Friend raises an important point. There is currently no evidence of an increase in the number of doctors going to work abroad, but there is an issue of fairness because it costs around £230,000 to train a doctor over five years. In return for that, there should be some commitment to spend some time working in the NHS, and we are consulting on that at the moment.

Mr Hunt: This is something on which we take guidance from what local CCGs say. There are times when the CCGs feel that their scale is not big enough to have the impact they want.

Derek Twigg: You set them up.

Mr Hunt: The hon. Gentleman says from a sedentary position that we set up the CCGs. I remind him that CCGs came together without central prescription as to what their size should be, but we will always listen to the advice we get on the ground if people want to change their size.

### Mental Health: Digital Platforms

8. **Mary Robinson** (Cheadle) (Con): What steps his Department is taking to use digital platforms to encourage people to access help to support their mental health and wellbeing.

The Parliamentary Under-Secretary of State for Health

(Nicola Blackwood): The Prime Minister herself announced our commitment to developing and expanding digital mental health services, and we have backed that with an investment of more than £65 million. This work includes improving digital technology for the mental healthcare system, developing digital tools and therapies, and improving mental health information and services provided through nhs.uk and 111 platforms.

Mary Robinson: The Minister will know that for people with mental health problems, attending accident and emergency or going to see their GP is not always the best point of intervention, so I welcome measures to improve accessibility. Stockport Healthy Minds, which serves my constituency of Cheadle, provides a range of services such as online self-help courses, one-to-one therapy sessions, and group workshops. What is her Department doing to provide projects like Healthy Minds with the support and accessibility they need?

Nicola Blackwood: In addition to the funding that we are providing to improve the mental health pathways through nhs.uk and 111, we are providing £500,000 for the development of six digital tools, with a particular focus on children and young people’s mental health. I pay tribute to the work of Healthy Minds in my hon. Friend’s constituency and to her own championing of this issue.

Mr Speaker: Order. It is always a pleasure to hear the hon. Member for Hyndburn (Graham Jones), but can I just say to him that it is a good idea to bob consistently, and then one knows of the interest of an hon. Member? On this occasion, he looked at me meaningfully but was not bobbing; I am not psychic. But let us hear the voice of Hyndburn: Graham Jones.

Graham Jones (Hyndburn) (Lab): I am very grateful, Mr Speaker, for your asking me to ask a question. Mental health is a really serious, and growing, problem. I have been out with my local police force and I appreciate the emphasis on digital technology, but what are we doing on the frontline as well? We cannot just have digital operations. In the Lancashire constabulary, because of the Government’s cuts, we are removing the mental...
health worker from the frontline force. While we may be doing something around digital, we are removing mental health services because that post goes on 31 March. Is this not ridiculous? Is it not the case that the Government do not have a coherent policy on mental health?

Mr Speaker: Order. I was quite tough on the hon. Member for Burnley (Julie Cooper), but the hon. Gentleman took his time—he really did.

Nicola Blackwood: The hon. Gentleman misrepresents the situation entirely. Not only are we investing an extra £1 billion year in mental health services and expanding mental health services at a faster rate than anywhere else in Europe, but we have invested £15 million extra in places of safety for those in crisis and are expanding triage services, precisely to address the problem that he raises of those in mental health crisis who come into contact with the criminal justice service.

Several hon. Members rose—

Mr Speaker: A question of textbook brevity and eloquence from Helen Jones.

Helen Jones (Warrington North) (Lab): While digital platforms can be useful in guiding patients to the right service, does the Minister accept that there are still huge shortages of people who can carry out talking therapies, and long waits for child and adolescent mental health services? When are the Government going to stop talking about improving mental health services and actually ensure that the money is going where it is needed to recruit staff?

Nicola Blackwood: We are working extremely hard on increasing staff. We are not only introducing our new mental health workforce strategy, which we will publish shortly, but increasing the number of people who are seeing these services. Four million extra people have seen psychiatry services—talking therapies—and 90% of those patients are being seen within six weeks, which is exceeding our waiting time target.

Data Research

9. Mr John Baron (Basildon and Billericay) (Con): What assessment he has made of the potential effect of the EU general data protection regulation on the availability of data for research in the health sector. [909362]

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): We have engaged fully with the health and research community to ensure a positive and beneficial application of the GDPR in the UK. My hon. Friend is right that data are vital to the delivery of safe and high-quality care, but we need to ensure that there is a trusted system in place, and that people understand that their information is secure and have confidence in its use.

Mr Baron: I thank the Minister for that answer, but I have to tell her that when the EU’s general data protection regulation becomes enforceable next year, it will be more difficult to share data. Cancer charities, including Cancer Research UK, are concerned because the progress of life-saving research, especially into rare and children’s cancers, would not have been possible were it not for data-sharing. Will she do what she can to shield the UK from this harmful regulation, given that it disproportionately affects us because of the wealth of our data?

Nicola Blackwood: We have been clear that we are going to introduce the data regulation. We are working on exactly how we will do that in a balanced way that encourages data-sharing for the purposes of research in a sustainable NHS. We have set up a sub-group to examine the impact of the GDPR on research. It is hosted by the Wellcome Trust and includes members of the Health Research Authority’s confidentiality advisory group, the NHS Confederation, the Medical Research Council, the Department of Health, and the PHG Foundation. We will ensure that this works in an effective way to address the concerns that my hon. Friend has raised.

Enriched Culture Medium Test

10. Sir Nicholas Soames (Mid Sussex) (Con): If his Department will take steps to introduce the enriched culture medium test for group B streptococcus for pregnant women; and if he will make a statement. [909363]

The Minister of State, Department of Health (Mr Philip Dunne): My right hon. Friend will be aware that Public Health England published a paper in June 2015 precisely on this subject, but it concluded that within the currently accepted clinical guidelines there are no clinical indicators for testing women using enriched culture medium methods. This test is not, therefore, recommended for routine use at present.

Sir Nicholas Soames: My hon. Friend will be aware from his reading of the British Paediatric Surveillance Unit report that the incidence of group B strep has increased by 30% over the last 15 years. Does he agree that this matter has gone on for far too long, and that the Government must come to a conclusion to prevent further tragedies?

Mr Dunne: As my right hon. Friend will be aware, the UK National Screening Committee is reviewing the evidence for antenatal screening, including the use of enriched culture medium tests for group B streptococcus, following a public consultation. I understand that its recommendation will be published very soon, and I assure him that I will consider the recommendation very carefully and write to him with my view.

“General Practice Forward View”

11. Anna Turley (Redcar) (Lab/Co-op): What steps his Department is taking to ensure that NHS England’s “General Practice Forward View” has the funding necessary to achieve its goals. [909364]

The Parliamentary Under-Secretary of State for Health (David Mowat): “General Practice Forward View” announced that investment in general practice will increase from £9.6 billion in 2015-16 to more than £12 billion in 2020-21. This represents an increase of 14% in real terms, which is almost double the increase for the rest of the NHS. Two years into the forward view, we remain on track to deliver that.
Mr Steve Baker (Wycombe) (Con): GPs in Wycombe cite long hours, bureaucracy and the declining attractiveness of the partnership model as reasons why people do not want to be in general practice. Will the Minister ensure that funding within the forward view is directed to deal with those key problems?

David Mowat: Yes, and the contract discussions that we have just completed with the British Medical Association addressed a number of the issues that my hon. Friend talks about, in terms of the pressures on doctors working in general practice. We acknowledge that the workload pressures are enormous, and, through the contract, we need to do all that we can to mitigate them.

Margaret Greenwood (Wirral West) (Lab): More than 80% of clinical appointments are carried out by GPs, but they receive a proportionately much lower level of funding. What steps will the Department of Health take to make sure that all sustainability and transformation plans abide by NHS England’s recommended allocation of funding to general practice?

David Mowat: One of the criteria by which STPs are being judged is the extent to which they are making this tilt from secondary into primary care, exactly as the hon. Lady suggests. That is precisely why the extra funding for primary care that I have set out is so important and why it is happening.

Jo Churchill (Bury St Edmunds) (Con): “General Practice Forward View” talks about supporting general practice to improve digital technology for patients. Given the recent data challenges, does the Minister agree that putting a national data guardian on a statutory footing is becoming an imperative?

David Mowat: We do recognise that in parts of the country there are shortages of GPs. As Members have heard, we are planning to have 5,000 more doctors working in general practice by 2020, and a proportion of those will be in Teesside. It is important that we meet that goal.

Mr Speaker: I doubt the hon. Lady will require any encouragement.

Dr Mathias: Mr Speaker, you are absolutely correct in your comment.

Does the Minister agree that the standards review found that not all clinicians are in agreement about how essential the co-location of paediatric services is, bearing in mind that a child being treated right now at the Royal Brompton will have 24-hour access to all necessary medical specialties? Will he tell us what improvements co-location at the world-class Royal Brompton hospital would achieve?

Mr Dunne: My hon. Friend has considerable expertise, but I am advised that having all relevant children’s specialties on the same site is the optimal model of care for the most critically ill children. It promotes closer,
more integrated ways of working between specialist teams, and ensures rapid access to key services, such as paediatric surgery, at the most critical times when they are needed.

Andy Slaughter (Hammersmith) (Lab): Mortality rates for the treatment of congenital heart disease fell from 14% in 1991 to 2% last year. The Royal Brompton, where the service is threatened with closure, does better even than this. What evidence is there that the closure programme will produce any further improvement, and if there is none, why is it being pursued?

Mr Dunne: The hon. Gentleman is right to point out that we have some world-leading patient outcomes for congenital heart disease, and I recognise the statistics that he read out. This is being driven entirely by seeking to improve patient outcomes across the country—improving them even on that very good performance—and to ensure greater resilience of service in some areas where there are relatively low volumes and an over-reliance on locums. I accept that that is not the case at the Royal Brompton, but it is in some of the others.

Greg Mulholland (Leeds North West) (LD): The Leeds heart unit is performing very well, and is free from the threat that it was facing, unfairly, a few years ago. Will lessons be learned, however, from the disastrous Safe and Sustainable review process, which pitted hospital against hospital and clinician against clinician? Can we find a much better way—I hope the Minister will tell us that this is happening now—to reconfigure such services?

Mr Dunne: I recognise that when the proposal was put forward back in 2012, it led to a process that we felt was wrong, and we therefore stopped it. This process, we hope, is being conducted in a more rigorous and fairer way, and will lead to outcomes driven, as I say, by improving patient experience.

PFI Liabilities

13. Tim Loughton (East Worthing and Shoreham) (Con): What the estimated cost of private finance initiative liabilities to the NHS is in (a) 2016-17 and (b) the subsequent three financial years.

Mr Dunne: The Department is urgently undertaking work to understand what the impact on the NHS will be. There have been regular meetings with the NHS Litigation Authority since the announcement. The Government will adjust the NHSLA’s budget to meet the additional costs associated with the change in the discount rate.

Rob Marris (Wolverhampton South West) (Lab): PFI always was idiotic. It carried on under the coalition Government and has left a huge financial hangover. Will the Minister have a word with his colleagues in the Treasury, because the Treasury figures on hospital liabilities are different from the figures that some of the hospitals themselves produce? As there is a discrepancy, we do not even know what the liabilities are.

Mr Dunne: The hon. Gentleman has been assiduous, as is his wont, in trying to get to the bottom of the costs of the PFI impact on the hospital in his area. If he has a discrepancy, it would be very helpful if he pointed it out to me in writing. I will then respond to him.

Social Care: Unmet Needs

14. Rosie Cooper (West Lancashire) (Lab): What plans his Department has to increase the provision of social care for people with unmet needs.

Mr Dunne: The Parliamentary Under-Secretary of State for Health (David Mowat): Social care continues to be a key priority for the Government. That is why local authorities in England will receive an uplift in the money available for social care over the next three years of 17% in cash terms. That significant uplift will allow councils to support more people and sustain a diverse market.

Rosie Cooper: Does the Minister recognise that the figure he has just given—the additional £1 billion in the Budget—is just half of what is needed to fill the shortfall in social care? Will he tell the House what he is doing to ensure that the sector gets the additional money and to stop councils being bankrupted by their social care requirements?

David Mowat: The 17% cash uplift over the next three years exceeds what we have been asked for by a number of stakeholders in the sector. I have conceded at this
Dispatch Box many times that the sector is under pressure. The additional moneys that we have come forward with will help to alleviate that and will make a big difference. In Lancashire, the figure is not 17% over three years; it is 18% over three years.

Andrew Bridgen (North West Leicestershire) (Con): The Minister is quite right that central Government are providing extra money for essential care and allowing local councils to raise a precept on the council tax for social care. How will the Government ensure that councils actually spend that money on social care?

David Mowat: Much of the money will go through the better care fund and there is conditionality on that. We expect councils to spend this money, as they have requested it, on social care and we believe that that will be the case. We understand the pressures and have acted.

Barbara Keeley (Worsley and Eccles South) (Lab): But 1.2 million older people are living with unmet care needs. The £1 billion that was announced in the Budget for this year is not enough to prop up the failing care sector, when many councils are suffering contracts being handed back. Given that 1 million people over the age of 65 do not have adult children, will the Minister explain how all those people living with unmet care needs are meant to manage?

David Mowat: The figure on unmet care needs comes from an Age UK analysis. I am meeting Age UK to go through its recent report, but we do not accept that analysis because the Care Act 2014, which had cross-party support, set statutory consistent definitions for what care councils have to provide. It is illegal for that not to be met, and our follow-up work with the Local Government Association has indicated that it is being met. Furthermore, we have put in a 17% increase over the next three years.

Childhood Obesity

15. Rushanara Ali (Bethnal Green and Bow) (Lab): What recent assessment he has made of the Government’s effectiveness in tackling childhood obesity in the inner cities.

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): Our childhood obesity plan includes a number of measures, such as the soft drinks industry levy, reformulation and school-based interventions, that will help all children, including those in inner-city communities. We will monitor progress carefully, including measurements for the programme, but it stands to reason that those who are most in need will benefit most from these interventions.

Rushanara Ali: I thank the Minister for that answer, but it remains the case that childhood obesity is twice as high in deprived areas as it is in more affluent areas. In Tower Hamlets, 20% of children are obese and a third are overweight. What will the Government do to reduce childhood obesity and when will the plan be published?

Nicola Blackwood: The childhood obesity plan has already been published. I think the hon. Lady may be talking about the reformulation targets and the baseline data, which are coming out imminently. The experts in Public Health England are working feverishly to make sure that the data are exactly as they should be. One measure I think she will be particularly keen to see is the investment in schools committed to by the Chancellor in the Budget, including the voluntary healthy rating scheme, which will be published in June.

Mr David Nuttall (Bury North) (Con): What measure is being used to ascertain the success or otherwise of the strategy and when will we know whether it has worked or not?

Nicola Blackwood: As I mentioned, we will be publishing the reformulation baselines against which all future success will be measured. They will include measurement across all industry targets. In addition, we will of course have the voluntary healthy rating scheme for primary schools to recognise and encourage their contribution to preventing obesity.

Topical Questions

T1. [909344] Margaret Ferrier (Rutherglen and Hamilton West) (SNP): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Jeremy Hunt): As part of our ambition to make the NHS the safest healthcare system in the world, I will today be speaking at the largest ever conference on learning from avoidable deaths and what we can do to improve care in the future. As part of that, I can inform the House that the NHS Litigation Authority will radically change its focus from simply defending NHS litigation claims to the early settlement of cases, learning from what goes wrong and the prevention of errors. As part of those changes, it will change its name to NHS Resolution.

Margaret Ferrier: My constituent Pauline Cafferkey was cleared of misconduct last September, following a very public case surrounding her return from Sierra Leone and her contraction of Ebola. Will she receive an apology from Public Health England and will it reimburse her legal costs?

Mr Hunt: With respect to Pauline Cafferkey, who is a very brave lady and who gave very good service to this country and the people of Sierra Leone with her work during the Ebola crisis, the hon. Lady will understand that disciplinary procedures are an independent matter. They are not dealt with by the Government. They have to be done at arm’s length and we have to respect whatever is said or done.

T3. [909346] Amanda Solloway (Derby North) (Con): I was pleased to see the Government commit to new funding for emergency care in the Budget. As the MP for Derby North, a constituency particularly affected by poor air quality, I am concerned that respiratory admissions to A&E have risen at twice the rate of general admissions over the past five years. What steps is the Department taking to address this issue?
The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): We are firmly committed to improving the UK’s air quality and cutting harmful emissions. We have committed £2 billion since 2011 to increase the uptake of ultra-low emission vehicles, support greener transport schemes and set out how we will improve air quality through a new programme of clean air zones. In addition, in the autumn statement we announced a further £290 million to support electric vehicles, low emission buses, taxis and alternative fuels. I regularly meet the Department for Environment, Food and Rural Affairs to see how we can roll out this work.

Jonathan Ashworth (Leicester South) (Lab): The Government have not met the four-hour target for A&E since July 2015. In the NHS mandate, finally published yesterday, the Secretary of State is effectively telling hospitals that they do not need to meet it in 2017 and that it only needs to be met in aggregate across hospitals “within the course of 2018”.

Is that not the clearest admission that the targets will not be met next year, because in the next 12 months the NHS will be denied the funding it needs and, as a consequence, patients will suffer?

Mr Hunt: Apart from observing that if the hon. Gentleman cares so much about the 95% target he might want to ask his colleagues in Wales why they are looking at scrapping it, on the money let me be very clear: in the next year, the NHS will be getting about £1.5 billion more than his party was promising at the last election. We are doing our job.

Jonathan Ashworth: The Secretary of State says he is doing his job, so why does he not take that up with NHS Providers, which is warning that because of the underfunding, it will be “mission impossible” in the next 12 months to deliver standards of care. Returning to the NHS mandate, did you notice, Mr Speaker, that in that mandate there is no mention whatsoever of Brexit, even though the NHS relies on 140,000 NHS and care workers? I know that the Secretary of State is not a member of the Cabinet Brexit committee, but will he use his considerable influence with the Prime Minister to ensure that when she triggers article 50 next week, she will finally give an absolute guarantee of the rights of all those EU workers in our NHS?

Mr Hunt: First, let me first reassure you, Mr Speaker, that I will be attending the Brexit committee when it is relevant to the NHS; in fact, I shall attend it this week, because issues relating to the NHS are coming up in it. What we are not going to do in that committee, however, is to take steps that would risk the welfare of British citizens living in countries such as Spain, Ireland and France. That is why, although it is a top priority for us to negotiate the rights of EU citizens living in Britain, including those working in the NHS, it has to be part of an agreement that protects the rights of British citizens abroad.

T4. [909347] Antoinette Sandbach (Eddisbury) (Con): Last Friday, Laurel Bank surgery in my constituency attended a careers fair at Bishop Heber High School. Does the Secretary of State agree that that kind of outreach work by GPs among young people encourages them to study medicine and work in our great NHS?

Mr Hunt: I absolutely agree. What I think my hon. Friend should tell her constituents—I am sure she will—is that general practice is going to be the most exciting, fastest-growing part of the NHS, where care is going to be transformed, making this the right thing to do.

T2. [909345] Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Secretary of State aware that my constituents are deeply disappointed with what he got out of the Budget? That poor deal for the NHS means that they face the closure of A&E in Huddersfield and the closure of Huddersfield hospital, and they no longer have a dentist who will take on an NHS patient in the whole of my constituency.

Mr Hunt: With great respect to the hon. Gentleman, what was secured in the Budget was £2 billion for social care, which is £2 billion more than his party was promising at the last election.

T6. [909349] Ben Howlett (Bath) (Con): Following the publication of the report of the all-party parliamentary group on rare, genetic and undiagnosed conditions on the UK rare diseases strategy, what plans does the Minister have to introduce an implementation plan for NHS England?

Nicola Blackwood: Frist, let me pay tribute to my hon. Friend for his leadership of the APPG on rare diseases. I am sure he will join me in feeling proud that the UK is a recognised leader in research, treatment and care for rare diseases in particular. We are at the forefront of the genomics revolution. He is right that the UK strategy for rare diseases needs to be translated into an implementation plan, and that is one of my personal commitments.

T5. [909348] Diana Johnson (Kingston upon Hull North) (Lab): Will the Secretary of State explain why my area of Hull, with its in-built health inequalities and poorer health outcomes, is getting just £13 million out of the additional money for social care set out in the Budget, while the local authority area that the Secretary of State represents in Surrey is getting £21 million-worth of additional support?

Mr Hunt: The formula is based on the better care fund formula, which is based on the spending power of local authorities. Let me tell the hon. Lady that, over the next year, that improved better care fund is going up by 35%, and Surrey’s allocation is going up by only 5%.

T8. [909351] Oliver Colvile (Plymouth, Sutton and Devonport) (Con): As the Secretary of State knows, I am the vice-chairman of the all-party group on pharmacy. Will he update the House on the progress of the decriminalisation of dispensing errors by pharmacists? What is the hitch?

The Parliamentary Under-Secretary of State for Health (David Mowat): There is no hitch. The Government remain committed to putting this into place, and the legislation will be brought forward shortly.
Mr Hunt: The hon. Lady is absolutely right to say that this is a serious issue. I commend the brilliant work done by NHS trauma centres throughout the country, which are world-beating, but, as well as setting up those centres, we have established much closer co-operation with local police forces so that we can work out where the crime hotspots are and help the police to prevent such things from happening.

Mr Hunt: This is a year in which funding for the NHS has risen by £3.8 billion in real terms. I do not know how the hon. Gentleman can say what he has said, given that in 2015 he stood on a platform to give the NHS £1.3 billion less this year than it is receiving under the Conservatives.

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know the details of the case because it is confidential, but I will be very happy to meet my hon. Friend and his constituent to see if anything can be done.

Steve McCabe (Birmingham, Selly Oak) (Lab): I do not know if you spotted the rather topical news story about children’s dentistry this morning, Mr Speaker: there were 1,464 hospital admissions for children for teeth extractions across one clinical commissioning area of Birmingham last year, the highest figure since 2010-11. How does the Minister account for this, and what is he going to do about it?

David Mowat: The figures for child extractions are clearly disappointing and two key actions need to take place: less sugar, which we expect the soft drinks levy to help with; and getting more fluoride on to teeth, particularly through fluoride varnishing. That has increased across the NHS over the last year, and by 12% in Birmingham. We hope that that will make a difference.

Dr Sarah Wollaston (Totnes) (Con): The NHS mandate was published yesterday, just days before coming into force. Can the Secretary of State set out the reason for the delay, because it allows very little time for scrutiny of this important document by this House? Will he also set out how he is going to prevent money being leached from mental health services and primary care to prop up provider deficits, so that we can meet objective 6 on improving community services?

Mr Hunt: My hon. Friend makes very important points. The reason for the delay was because about a month ago we had wind that we might be successful in securing extra money for social care in the Budget, and we needed to wait until the Budget was completed before we concluded discussions on the mandate. Our confidence as a result of what is in the Budget has enabled us to make the commitments we have made in the mandate, including making sure that we continue to invest in the transformation of out-of-hospital care.

Several hon. Members rose—

Mr Speaker: Order. We are out of time, but I want to get in two more questions.

Fiona Mactaggart (Slough) (Lab): The Secretary of State will be aware that many migrants in the UK are not registered with GPs, yet now when they come to Britain they have to pay an NHS fine. What is he doing, with the Home Office, to ensure that migrants are registered with a GP and are aware of community health facilities?

Mr Hunt: I am not quite sure whether I understand the right hon. Lady’s question, but there is not a fining system for migrants; what we say is that people who come to the UK as visitors should pay for their healthcare, or pay the visa surcharge if they are coming for a longer period. There is an exemption for public health, because it is important for everyone that we make sure that we treat people for things like tuberculosis.

Robert Courts (Witney) (Con): The Secretary of State is aware of the concern that I and the people of Witney have about the future of Deer Park medical centre, which is a vital local resource. I am grateful to him for meeting me and for our correspondence. Please will he confirm that he will press the Independent Review Panel for a response at the earliest opportunity, given that the clinical commissioning group is determined to close this vital practice in three days’ time, and that he will consider the views of the patients of Witney very carefully indeed?

Mr Hunt: I am very happy to relay that concern to the IRP, and I thank my hon. Friend: we had a highly constructive meeting, and, as a new MP, he understands just how important this is to the constituents of Witney. He made the case very powerfully.

Several hon. Members rose—

Mr Speaker: Order. I am sorry to disappoint remaining colleagues, but we must move on.
Money Laundering: British Banks

12.34 pm

John McDonnell (Hayes and Harlington) (Lab) (Urgent Question): To ask the Chancellor of the Exchequer if he will make a statement on allegations of money laundering against British banks.

The Economic Secretary to the Treasury (Simon Kirby): We want our financial institutions to lead the way in the global fight against money laundering. This is not only a question of financial crime, with illicit finance used to fund serious organised crime groups, as well as terrorist organisations; this is about keeping our citizens safe. That is why the Government are going to do what it takes to prevent the practice and pursue anyone who might seek to abuse our financial system.

The Financial Conduct Authority and the National Crime Agency take any such allegations seriously and will investigate closely whether recent information from The Guardian newspaper—or, indeed, any other media source—regarding money laundering from Russia would allow the progression of an investigation. Beyond that, we need to ensure that sophisticated criminal networks cannot exploit our financial services industry.

This Government already do more than any other to tackle the global threat of money laundering. Since 2010, we have seized £1.4 billion in illegal funds and put hundreds of millions more beyond the reach of criminals. We have set up the Panama papers taskforce and we hosted the global anti-corruption summit last year. Now, we are preparing the most significant changes to our anti-money-laundering and terrorist finance regime in over a decade. We are strengthening the rules to prevent the practice and pursue anyone who might seek to abuse our financial system.

However, domestic changes alone are not enough in a world of global criminal networks, which is why we are working closely with our international partners to stand up to this threat together. Work continues apace in groups such as the G20 and the Financial Action Task Force, whose membership includes all the world’s leading financial centres. We have led the way in getting more than 90 countries to exchange data on offshore accounts to harass financial centres. We have also brought in a landmark piece of legislation in the form of the Criminal Finances Bill. That will allow banks to share more information than ever to help to uncover money laundering. It will also give law enforcement agencies new powers to bring criminals to justice.

Money Laundering: British Banks

This appears to point to an overwhelming failure of basic management on the part of the banks. One of those banks, HSBC, is an institution that has previously faced money laundering charges in the US and across the globe. The direct intervention of this Government helped to block a 2012 US investigation on the purported grounds of its potential risk to financial stability. Money laundering through London and elsewhere threatens the stability of our financial sector and our economy.

In the case of another bank, RBS, the Government directly own a 72% stake. A third bank, Barclays, has been under investigation for its role in LIBOR rigging. Will the Minister give us specific details of what steps are being taken to address this scandal? Can we have an assurance that there is the potential to open criminal proceedings to break up what is effectively a criminal network? Will the Government also undertake that they will not—as they have in the past with HSBC—attempt to intervene in criminal or other investigations taking place elsewhere in the world? The major risk to financial stability is not from investigations intended to clear out criminal activity from our banking system; it is from inactivity on the part of the Government and others, and from failing to act to ensure that our major banks are clean and fit for purpose.

Secondly, all those banks claim to have strict internal policies to deal with money laundering. The Financial Conduct Authority places great stress on the need for banks to self-policing and create appropriate internal procedures to prevent money laundering. It is obvious from today’s revelations, however, that the current arrangements are not working to prevent widespread, organised and sophisticated criminal activity. Will the Government tell the House what steps they will be taking to address this matter with the FCA? Will the Government today commit to opening an inquiry with a view to reporting rapidly on measures to be taken that will strengthen the regulations, including introducing tighter controls on and closer monitoring of the banks themselves?

Finally, when the Government own major stakes in the banks involved—RBS in particular, since they are no longer able to sell off that stake—there is an immediate need for them to reassure taxpayers that publicly owned banks are not indirectly involved in criminal activity. What steps will the Government, as a major shareholder in RBS, take to investigate the allegations against it and to reassure taxpayers? Our banks have been found wanting yet again. Urgent action is needed from the Government to protect the standing of our finance sector and to protect our economy. Complacency and inaction are not good enough.

Simon Kirby: I assure the right hon. Gentleman that the Government are far from complacent. As I outlined earlier, we have been updating the UK’s money laundering regulations, and I hope that the Criminal Finances Bill, which is currently in the other place, will receive Royal Assent in the near future, creating new powers for enforcement agencies. The FCA takes misconduct seriously and fined Deutsche Bank £163 million only last month. As for whether we should be telling the independent FCA or the NCA what to do, it is worth saying that if the information reveals new findings, the FCA will be able to investigate accordingly. It would not be appropriate for me to comment on potential legal proceedings.
Sir Desmond Swayne (New Forest West) (Con): Does the commitment expressed in our hosting of the anti-corruption summit not a year ago still exist to drive forward its agenda?

Simon Kirby: Absolutely. This Government are fully committed to ensuring that taxpayers are fully protected and that we do all we can to stamp out illegal money laundering activity.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): This revelation is shocking, but it is not in the least bit surprising. For over a year, I have been campaigning in this House on associated areas. After the story was released yesterday evening, I undertook research that indicates that at the heart of the issue is the banks’ use of limited partnerships—not only Scottish limited partnerships, but many other forms—that allow the criminals to hide their ownership of companies. It is through that mechanism that these things are happening.

I have several questions for the Minister. First, the Department for Business, Energy and Industrial Strategy closed its review of limited partnerships on Friday. Will the Government allow me and other interested Members to resubmit the review, although it is formally closed, so that we can raise this important matter and have it considered in the review?

Secondly, when one looks at the outcome and the extent of the situation, it is too much to believe that we are the world leader in money laundering regulation in general, so it is time for another look at that. Thirdly, a key concern of many in the House is that the banks have not had a supportive whistleblowing regime in recent years. We need to encourage, not inhibit, whistleblowing.

Simon Kirby: In this alleged case, my understanding is that the bodies used were limited companies, not limited partnerships. Last year, BEIS introduced the register of people with significant control, and we will be consulting shortly on UK property-owning foreign companies. That is a step forward.

The hon. Gentleman mentioned the limited partnership consultation; I am sure that any right hon. or hon. Member who wants to write to the Secretary of State for Business, Energy and Industrial Strategy can do so. It is also appropriate to say that we are world leaders in financial regulation. The FCA does a good job, is held in high regard by the rest of the world and strikes the right balance between consumer protection and fairness.

David Rutley (Macclesfield) (Con): My hon. Friend takes this issue seriously. Will he tell the House how unexplained wealth orders will prevent criminals from using the proceeds of crime in the UK?

Simon Kirby: My hon. Friend raises an important part of the Criminal Finances Bill, which is going through the other place as we speak. I look forward to its receiving Royal Assent and becoming law, giving new law enforcement powers to stop any of this activity.

Ms Angela Eagle (Wallasey) (Lab): The Economic Secretary has shown real complacency about the huge and building scandal that has been revealed by The Guardian today. Given that our banking sector is very large and that the consequences of its being destabilised by such criminal behaviour are very serious for our economy, does he not realise that his complacent, process-driven answers today are simply not good enough?

Simon Kirby: I do not recognise that at all. The FCA and the NCA are well placed to investigate this, if appropriate. We have not only world-leading financial regulation but world-leading financial services. More than 1 million people across the country are employed in financial services in all our constituencies, and the vast majority of them work hard, do a good job and represent customers as well as they can. We have outlined the measures that the Government are undertaking—/Interruption./ I have addressed everything that the hon. Member for Wallasey (Ms Eagle) mentioned. This Government are doing more than at any time in the past 10 years to tackle this issue.

Rishi Sunak (Richmond (Yorks)) (Con): Given the overlap between money laundering networks and terrorist financing networks, does my hon. Friend agree that this is also an issue of national security and, furthermore, the only way we can tackle it is with greater information sharing between the private sector, regulatory bodies and enforcement agencies?

Simon Kirby: My hon. Friend is absolutely right. Greater information sharing and transparency are the way forward. The register of people with significant control is an important step forward, and I look forward to additional transparency in the future. Ultimately, people with nothing to hide have nothing to fear.

John Mann (Bassetlaw) (Lab): To counter the impression that he has been promoted beyond his competence, can the Minister tell us which British banks have been convicted of money laundering over the past five years? What specific, individual thing has he learned from reading those judgments? /Interruption./

Mr Speaker: Order. The question was discourteous, but it was not disorderly—there is a distinction. The hon. Gentleman has been practising that technique in all sorts of different forums in all the 30 years that I have known him. The question was not one of the more extreme variants on the theme.

Simon Kirby: I can tell the hon. Member for Bassetlaw (John Mann) that the FCA has carried out a number of enforcement actions, both large and small, over a large number of different financial services. It is right and proper that a balance between fairness and responsible behaviour is struck at all times.

Jake Berry (Rossendale and Darwen) (Con): If these allegations are proven, particularly against a bank in which the Government own a majority stake, will my hon. Friend commit to using the full powers of the Criminal Finances Bill to clamp down on this type of money laundering, which, if proven, will be a national disgrace and scandal?

Simon Kirby: It is worth saying that our shareholding in a number of banks is at arm’s length. We are not operationally in control, as is right and proper. The important thing is that we learn lessons from the past and make sure that the past is not repeated.
Helen Goodman (Bishop Auckland) (Lab): Has the Minister discussed the matter with the former Chancellor; the right hon. Member for Tatton (Mr Osborne), who the US House of Representatives found intervened with the American authorities to prevent HSBC from being prosecuted in 2012? What has the FCA specifically done since the “global laundromat” was discovered in 2013?

Simon Kirby: I have not had that conversation with my right hon. Friend. It is fair to say that the FCA has carried out a number of investigations, and it is right and proper that it does so. The FCA is an independent operational body that we set up as asked, and it would not be appropriate for me to comment.

Mr Jonathan Djanogly (Huntingdon) (Con): It seems to me, and to many others, that there is an unwritten deal here: that Russians and others of dubious or illegal means can essentially come to this country, send their kids to our schools, buy our real estate or our sports clubs and get involved in this country on the basis—this is the other side of the deal—that they do no wrong while they are here. That is not an acceptable way forward, if it ever was. Is it not now time to rethink this issue?

Simon Kirby: My hon. Friend raises an interesting point. This Government are doing more than ever before to tackle this important issue. When it comes to money laundering, the Department for Business, Energy and Industrial Strategy has called for evidence on the use of limited partnerships, which were raised by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), and will in due course consider any action needed to address those concerns.

Sammy Wilson (East Antrim) (DUP): To a long list of misdemeanours committed by the banks for which directors have not been held responsible, we now have this allegation of extensive laundering of funds that were either stolen or of criminal origin. One of the explanations that has been given is that directors of banks see compliance as an expense with no return. Can the Minister assure us that the allegations will be properly investigated by criminal investigators and that, if it is found that directors have encouraged slack compliance for the profit of their bank, they will feel the full weight of the law and realise that slack compliance has a cost in their personal lives?

Simon Kirby: The hon. Gentleman is absolutely right that in this country we have not only a world-regarded financial regulation system but a rule of law that is both fair and effective. If there is any wrongdoing or impropriety, it is right and proper that those people face the full weight of the law.

Mr Philip Hollobone (Kettering) (Con): How many money launderers have been sent to prison in the past five years?

Simon Kirby: I am not aware of the exact answer to that question, but I will write to my hon. Friend with all the information I have. I am convinced that, across the world and in this country, money laundering is taken very seriously.

Mr Ben Bradshaw (Exeter) (Lab): Are the Government or any other public agency in Britain investigating whether laundered Russian money was channelled to any individuals in either the leave campaign or the Trump presidential campaign? Is the Minister aware of any other investigations?

Simon Kirby: I make it clear that I am not aware of any connection. It is right and proper that the FCA and the NCA have been watching that issue for some time. It is a confidential matter; if there is new information, I am sure they will consider it.

Mr Alan Mak (Havant) (Con): Compliance officers across the banking sector play a key role in stamping out some of the behaviour that has been reported. Will the Minister assure the House that the FCA and other regulators are making sure that compliance officers are properly trained and are proactive on the ground?

Simon Kirby: I reassure my hon. Friend that that is the case. It is right and proper that the issue of money laundering is addressed from top to bottom. Everyone has a responsible part to play.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Having previously claimed that “there is little evidence of corporate economic wrongdoing going unpunished”, the Ministry of Justice is now considering whether it should extend the criminal liability offences to money laundering. Does the Minister now agree that the “global laundromat” allegations clearly highlight that the law needs to be toughened up in this area?

Simon Kirby: I am sure that the MOJ will listen carefully to the hon. Lady’s point.

Antoinette Sandbach (Eddisbury) (Con): The report indicates that many of the laundered funds went into shell companies. Can the Minister explain how the world’s first open register of equitable ownership will help prosecuting authorities to bring to justice those who benefit from such funds?

Simon Kirby: The people with significant control register is open for everyone to see. Thousands, if not millions, of people are able to see it. Transparency is absolutely the best thing to make people aware of wrongdoing and to make sure that nothing is hidden.

Greg Mulholland (Leeds North West) (LD): It is clear that the current measures, though welcome, are simply not sufficient to tackle this sort of money laundering. Considering that dirty money is channelled through our British banks, how much worse would it be if the Chancellor achieved his vision of this country becoming a corporate tax haven—another Panama—post-Brexit?

Simon Kirby: That is not the Chancellor’s vision. The Government are currently consulting on the fourth money laundering directive. I have mentioned the Criminal Finances Bill, which is in the other place. The FCA is also vigilant in enforcing measures, and it takes misconduct very seriously.
Mr David Nuttall (Bury North) (Con): Having witnessed at first hand the anti-money laundering procedures of UK banks, when I tried to keep open an existing bank account, I wonder how any organisation has managed to launder ill-gotten gains through our banks, and I can only conclude that it is because complying with the regulations is seen as no more than a tick-box exercise. Does my hon. Friend agree that banks should adopt a more proportionate and common-sense approach when dealing with members of the public?

Simon Kirby: My hon. Friend will be pleased that the fourth money laundering directive, which the Government are consulting on as we speak, includes provision for a more proportionate approach to that very issue, and I hope he takes part in the consultation. I also hope that the banks, with FCA guidance and a Government steer, will have to take a proportionate approach in the very near future.

Ian Austin (Dudley North) (Lab): The Home Affairs Committee estimates that £100 billion is laundered through London every year, but only 0.17% of that has been frozen, so the Minister might as well go to Heathrow and put up a welcome sign for Russian murderers and money launderers. Five criminal complaints have been submitted to UK law enforcement agencies about money laundering connected to the Magnitsky case. Not a single one has resulted in the opening of a criminal case, whereas 12 other countries have opened investigations on the same evidence. So the question is this: what is necessary to get UK law enforcement agencies to do their jobs and prosecute money launderers? Why has that not been working, and what is the Minister going to do about it?

Simon Kirby: I hope the NCA and the FCA would, if appropriate, do a considerable amount about it. They are independently operational bodies. It is right and proper that I cannot comment at the Dispatch Box about what may or may not happen. However, if there is wrongdoing, it is right and proper that it is addressed.

Alan Brown (Kilmarnock and Loudoun) (SNP): As we have heard, HSBC has been a serial offender on money laundering all around the world. It has had fines in the US and in Switzerland, and it has been mentioned again. There were calls for an investigation into other banks in 2012. The “laundromat” scheme was first reported in The Independent in 2014, so yesterday’s news is not actually new news; it just shows the scale of the problem with people using British banks and shell companies registered in the UK. If the UK really is a world leader in money laundering and other financial regulation, how bad are things in the rest of the world, and what is the UK doing to help stamp out the problem elsewhere?

Simon Kirby: The hon. Gentleman raises an interesting point. It is important to co-operate with countries around the world. We have been very clear that we will work with the Financial Action Task Force and other regulators around the world, and that is important. This is not something we can solve domestically on our own.

Kerry McCarthy (Bristol East) (Lab): Investigators at the National Crime Agency are saying that Russian officials have been hampering their investigations by refusing to co-operate. What discussions has the Minister had, or will he have, with his Foreign Office counterparts to see whether they can broker a better relationship with those Russian officials?

Simon Kirby: I would imagine that the FCA is in contact with the Foreign and Commonwealth Office, and, if appropriate, they will have conversations about this issue. What is important is that, if these allegations are correct, and any new information is presented, the NCA and the FCA act on it appropriately.

Rushanara Ali (Bethnal Green and Bow) (Lab): May I ask why the Chancellor is not here, because, frankly, the Minister’s answers today have been appalling? Some £80 billion could have been laundered, according to this story. Should we not think again about the powers the FCA and other regulators have to prevent these things from happening? Can he please answer some questions?

Simon Kirby: I am very sorry, but I have been doing my very best to answer the questions that have been asked. Sadly, I cannot be held responsible for the quality or the content of the questions. What I would say is that I am the Minister responsible for financial services, and the Government are responsible for legislating in this place and in the other place. To answer the hon. Lady’s question, the Criminal Finances Bill is an example of what we are doing now, as we speak, to improve things. The FCA is in constant dialogue with not only the banks but the Government to make sure it moves with the times.

Catherine West (Hornsey and Wood Green) (Lab): If it is found during the investigation that terrorism has been facilitated, what personal responsibility will the Minister take for that dreadful finding?

Simon Kirby: It is important to say that these schemes operated from 2010 to 2014. The hon. Member for Kilmarnock and Loudoun (Alan Brown) mentioned that The Independent first raised the story in 2014. However, if there is new evidence, it is important that the NCA and the FCA look at it and act accordingly. We set up those bodies to act operationally and independently from Government, and that is right and proper.
Rectification Procedure

1.6 pm

Mr Speaker: I call Mr Ian Lavery on a point of rectification.

Ian Lavery (Wansbeck) (Lab): On a point of order, Mr Speaker. On Thursday 16 March, the Parliamentary Commissioner for Standards published her report on a complaint about my declarations in the Register of Members’ Financial Interests, which concluded that I had breached the rules relating to how I registered information and, in a subsequent and inadvertent omission, had failed to draw the House’s attention to these interests while asking a question about the future of deep coal mining in the UK on 13 March 2013. Mr Speaker, I wish to apologise to the House fully and unreservedly for what was a genuinely inadvertent breach of the rules, with which I have at all times sought to comply.

Mr Speaker: I am extremely grateful to the hon. Gentleman for what he has said, and I think it will have been heard and appreciated by the House.

Point of Order

Debbie Abrahams (Oldham East and Saddleworth) (Lab): On a point of order, Mr Speaker. I seek your advice concerning the emergency personal independence payments regulations, which came into force last Thursday. Over 160 Members of this House have signed a prayer against the regulations, for which the praying-against period comes to an end on 3 April. A debate has been arranged for next week in the other place, but to date the Government have refused to arrange a debate and vote on the Floor of this House.

There is a huge democratic deficit, with the regulations enforced by negative statutory instrument. That is a sad reflection of the Government’s attitude to this House. On top of that, over 180,000 people have signed a petition against the regulations. Some 81,000 disabled people will have been through a PIP assessment that will deny people in psychological distress access to additional support. Please can you advise me how I can press the Government to hold a debate on these regulations before we rise for the Easter recess?

Mr Speaker: The hon. Lady has raised her point with very considerable force, and she has underlined the reasons for its urgency. I have noted the number of Members, to which she referred, who have prayed against the regulations. Her point of order is not, sadly, a matter for the Chair, but it will have been heard on the Treasury Bench, and it is not an unreasonable hope and expectation on her part and that of those Members who prayed against the regulations that a debate will be arranged in a timely fashion.

In so far as she seeks advice, I would say to her that she and her colleagues could use the opportunity of business questions on Thursday to press their claims in respect of the schedule for next week’s business, for it is with next week that the hon. Lady is concerned. Whether group activity—that is to say, significant numbers raising the matter—will be effective, I do not know, but it seems a reasonable supposition that, if anything will, it might. I think we will leave it there for now.
Short and Holiday-let Accommodation (Notification of Local Authorities)

Motion for leave to bring in a Bill (Standing Order No.23)

1.10 pm

Ms Karen Buck (Westminster North) (Lab): I beg to move,

That leave be given to bring in a Bill to require householders to notify local authorities of an intention to register accommodation for short or holiday lets; and for connected purposes.

Good ideas can be undermined when a minority abuse or exploit them, causing harm to others and undermining the wellbeing of the wider community. The “sharing” economy is fizzing with good ideas and opportunities. We are in an era where the potential use of resources—from labour to transport to homes—can be made more of by the speed and flexibility of digital communications, and we should not be putting unnecessary barriers in the way. Yet, that is not the same as saying there should be no rules. Individuals and communities need to be protected, and the rules we agree on must be enforced.

We now have an emerging consensus, including London councils of different political complexities, the Mayor of London and London Assembly members, on the need for further action. So today I am putting forward a proposal that will make it possible to effectively enforce the rules preventing the abuse of short and holiday let accommodation. Although I welcome the freedom for homeowners to let their properties for such purposes without excessive bureaucratic interference, it is difficult and expensive for cash-strapped councils to police the rules. With no requirement to seek permission for a short let, the only way to identify where such lettings are taking place—and, more importantly, where they are in breach of the rules—is by having staff comb the various websites to find them.

As some of us flagged up during the passage of the Deregulation Bill, which set the 90-day annual maximum for short lets, proving a property is let at all can be tough when there is no notification, and proving a property is let for more than three months in any one year is labour-intensive, expensive and cumbersome. Officers of my own local authority, Westminster, have been of great help in preparing this short Bill, and they have told me:

“It is difficult to determine the addresses as there is no prior notification system. My officers spend an inordinate amount of time trying to identify properties from website photographs where addresses are not provided like Airbnb. We also rely heavily on members of the public notifying us of people short-letting properties.

We are up against it but remain vigilant and continue to do all that we can to deal with the commercial lets (i.e. Those let in excess of 90 nights).”

People who are using Airbnb and others of the various platforms for short and holiday lets sometimes say to me, “Why does it matter? Why shouldn’t we, as homeowners, do what we want with our properties?” For many of them, it should not matter at all, as they are the occasional hosts—they are the sharing economy—earning a bit of extra cash from a spare room or when they are away. They are aware of their own legal responsibilities and are considerate of neighbours—let them flourish. The problem is that they are not alone. Alongside the responsible owner-occupiers are irresponsible ones, illegal sub-letters and an increasingly significant commercial operation seeking to take advantage of potentially higher yields.

Across all London boroughs, in the year following the Deregulation Act 2015 there was a city-wide 126% increase in the number of short lets advertised on Airbnb alone. Westminster had an 80% increase, but some boroughs saw even bigger rises, with Camden’s figure going up by 124%, Southwark’s by 139% and Brent’s by a staggering 762%. There is now evidence to suggest that the short let phenomenon is spreading across the UK, with Edinburgh and Manchester following London—Brighton and Bristol are among the other authorities experiencing this. The latest data on InsideAirbnb.com confirms that, with nearly 50,000 listings across Edinburgh and Manchester alone, in terms of potential breaches of the law, my borough is currently investigating more than 1,100 properties believed to have breached the 90-night limit.

Also in the early part of last year, the number of whole properties—as opposed to rooms—in London listed on Airbnb increased by a quarter, from 17,625 to 21,861. Research by the Residential Landlords Association shows that 41% of all Airbnb listings in London last June were multi-listings, meaning that the property owners had more than one property advertised; this increase, to some 17,590 properties, is also a sign that the website is increasingly becoming commercialised. Meanwhile, 54% of entire home and entire apartment listings in Manchester, and 43% of those in Edinburgh, were identified as multi-listing properties, again indicating that the trend is going well beyond the image of the sharing economy.

Two concerning issues arise from that, the first of which is the loss of residential accommodation. Short lets can bring in up to three times the income of more traditional flat rentals: £1,800 a week, on average, for a two-bedroom flat, as opposed to £620 a week for a traditional assured shorthold tenancy, according to Westminster City Council. Even before the Deregulation Act, evidence suggested that flats were being, in effect, converted into semi-permanent holiday lets, but now the pressure is even more intense. The potential to earn more from short lets is a key selling point on some of the sites. People are told:

“The rents you can achieve during weekend stays or overnight stays can easily match or beat what you could achieve for a monthly rental income from a normal tenancy—plus you can enjoy the flexibility of choosing when to put your property up for rent, and when not to.”

Another company states:

“A short term let normally generates 50-100% more income than a long term let.”

So, alongside the genuine sharing economy lettings by homeowners, that leads to a longer-term loss of residential homes, even those available for traditional assured shorthold lettings. Westminster City Council alone estimates there to be 3,000 whole properties on listings sites, with about 1,000 each in a number of other individual boroughs. One constituent wrote to me to say:

“This style of letting has nothing to do with people make a bit of extra money on the side from their homes, by renting out the odd room, (which was the original premise of Airbnb) and has now become a licence for people to make big (non-tax-declared) money at the expense of local residents who are subjected to its considerable downsides.”

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Where this all began for me was the number of constituents coming to raise concerns about the impact of their communities becoming an unofficial part of the hospitality industry. Their questions were about issues including: the impact of transience; their security; antisocial behaviour arising from noise; waste issues; overcrowding; and a range of other sources of disturbance. Those disturbances place a cost on the local authority, too. Enforcement costs, and the costs of dealing with noise and other breaches of regulations have to be met by cash-strapped local authorities.

One constituent wrote to me to say:

“We are a single house in Bayswater (six flats) and we manage ourselves. All the flats but one (ours) are now non-owner-occupied. A few weeks ago it became obvious that one flat was renting on Airbnb, and I’m fairly sure had broken the 90 day limit. This is technically in breach of the terms of our leases, which have that ‘single private use’ clause in them, but more than that I really hate the idea of our house turning into a hotel, our front door key in strangers’ hands. And I’m fairly sure it breaches the terms of our buildings insurance which is a bit scary.”

That whole area of downsides from short lettings—insurance and other lease requirements regularly being breached as a consequence of short lets—is beginning to come to the public’s attention.

Meanwhile, tax revenues are, if anything, going down—that is certainly what other cities are finding. One article looking at the American experience found:

“First up on the list of grievances big cities have with vacation rental sites is lost tax revenue. The number of missing tax dollars is truly astounding. A study from AllTheRooms.com, a vacation rental and hotel search engine, found that the total 2016 tax revenue from room rentals brokered through Airbnb would amount to almost $440 million if they were taxed at the same rate as traditional hotels.”

That is the American experience. We do not have a local UK experience, but that is where we are going.

Unlike before the 2015 Act, councils now have to prove not merely that a property is being short let, but that it has been short let for more than 90 days in a year, which is a far harder and more resource-intensive task.

What can be done to resolve this? Local authorities are looking for the Government and the Department for Communities and Local Government to be more prepared to intervene to exempt neighbourhoods from the current set of regulations—they have the powers to do that. Westminster City Council applied for such an exemption but was turned down, although I know it is considering making a fresh application. The platforms can also do more. I welcome the fact that Airbnb has said it will enforce the 90-day maximum rule, but not all other letting platforms are taking the same approach—in some cases they are making it clear that they believe it is for the host to uphold the law, not for themselves, as letting platforms, to do so.

What I believe is now necessary, and what this short Bill aims to do, is to introduce a light-touch online notification system that is mandatory for homeowners to complete, where they merely confirm the dates their property is to be used for short letting. This is not about seeking permission, but is merely about allowing local authorities to know where short and holiday lets are taking place so that they are able to enforce effectively. By all means encourage people to make good use of their homes and earn extra cash, but let us make sure that this does not intensify the housing crisis, land costs on others—while sharing none of the rewards—and inflict misery on long-term residents who, to their shock, can find themselves waking up in a hotel annexe, but after all the caretakers have gone home.

Question put and agreed to.

Ordered.

That Ms Karen Buck, Mark Field, Tulip Siddiq, Jim Fitzpatrick, Andy Slaughter, Victoria Borwick, Kate Green, Peter Kyle, Rushanara Ali, Kerry McCarthy and Ruth Cadbury present the Bill.

Ms Karen Buck accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 159).
Intellectual Property (Unjustified Threats) Bill [Lords]

Consideration of Bill, not amended in the Public Bill Committee

New Clause 1

Review of the impact of exiting the European Union on provisions within this Act

“(...) Within 12 months of this Act coming into force, the Secretary of State must prepare and publish a report on the impact of the Government’s plans for exiting the European Union on the provisions within this Act, and must lay a copy of the report before Parliament.”—(Bill Esterson.)

This is a probing new clause to assess the impact of exiting the European Union on the provisions within this Act.

Brought up, and read the First time.

1.21 pm

Bill Esterson (Sefton Central) (Lab): I beg to move, That the clause be read a Second time.

Intellectual property makes a significant contribution to the UK economy each year. In 2014, UK firms invested an estimated £133 billion in knowledge assets, compared with £121 billion in tangible assets. As the Intellectual Property Office notes, UK investment in intangible assets that are protected by intellectual property rose from £47 billion in 2000 to £70 billion in 2014, and is estimated to represent 4.2% of total GDP. What is more, the UK system of regulating intellectual property is considered to be one of the best: it was rated No. 3 by business in the 2016 Taylor Wessing global IP index in respect of obtaining, exploiting and enforcing the main types of intellectual property rights. It is clear that intellectual property is of great importance to the UK economy, so the impact of leaving the European Union on IP and the provisions in the Bill is vital to the economy. It is of great interest to businesses, which value certainty, and it is crucial to potential investors in businesses in the United Kingdom.

The Bill will apply to patents, trademarks and designs. The Minister stated in Committee, and in a written answer on 20 October last year, that the European Patent Office was established by international treaty and that our participation in its work will be unaffected by our leaving the EU. The suggestion is that patents will be relatively untouched by Brexit; it is to be hoped that the Minister’s confidence is not misplaced. Several IP rights that derive from EU regulations will no longer apply to the UK, and the impact of Brexit is far from clear at this stage. As the Chartered Institute of Patent Attorneys recently commented:

“The continued validity of these rights in the UK is uncertain. Transitional agreements may be negotiated to allow time for rights holders to convert these into national rights or to file separate national rights... The government has remained silent on whether or not it intends to implement the new Trade Mark Directive into UK domestic law.”

The Minister signalled in Committee the Government’s intention to ratify the unified patent court agreement by the end of April. The court will deal with disputes relating to European patents and help the business that the Bill seeks to assist by removing the threat of unjustified litigation—a point made by my hon. Friend the Member for Garston and Halewood (Maria Eagle) in Committee.

Will we still be members of the court after we leave the EU? The court is part of the effort to reduce costs across jurisdictions and make it easier to do business. As we prepare to leave the EU, the last thing we need is additional costs on businesses, so clarity is needed about our membership of the court. The Minister said in Committee that decisions had not yet been taken, so will he provide an update and confirm that he understands just how important it is that we minimise costs across jurisdictions, including those relating to intellectual property rights? What is his view on our potential membership of the patent court after we leave the EU?

The CIPA said:

“For the UK to continue participating after Brexit, there would need to be a new international agreement with the participating Member States and the UK to provide compatibility with EU law... If the UK does not remain a member of the UPC, there will be a need for further transitional provisions to protect any rights acquired or cases in progress at the time the UK leaves. It is still unclear whether UK European Patent Attorneys will be able to represent parties in the different Divisions of the UPC after Brexit.”

It went on to say:

“CIPA has a strong preference for the UK to participate in the UP and UPC system, if a solid legal basis for this can be agreed.”

The UK’s leading position in patents and patent law, it makes sense to do all we can to maintain our position and to ensure that confidence in our position remains as high as possible. It is important that we avoid taking a step backwards on IP law and losing the potential benefits that the development of single European patent protection will bring. The economic and competitive advantages of such protection are clear enough. The alternative of having a separate UK system, with the likely need for rights holders to apply for UK and EU protection separately, will mean additional burdens for UK businesses and for our economy, compared with the UK remaining a central part of the European-wide patent system.

As my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) said in Committee, it is vital that the Minister takes all steps to ensure that patent law and IP law more generally do not take a retrograde step following Brexit. IP is how innovation is rewarded; it is fundamental to ensure our ability to deliver a high-pay economy and prosperity, and to Britain’s promise that the next generation is better off than the previous one. Since 2010, we have seen living standards fall while the economy as a whole has grown. The people of this country cannot afford to miss opportunities, including this one. The alternative of a race to the bottom, a low-wage economy and our competing as some kind of tax dodger’s paradise off the coast of continental Europe will not deliver better living standards.

Intellectual property is one of many ways in which we must build on our success as a country and not allow decline. How intellectual property rights are protected, and how they are seen to be protected during the Brexit negotiations, will be crucial to delivering and enhancing business and investor confidence and to getting the best possible outcome from the negotiations. The Prime Minister may not wish to give a running commentary, but she and her Ministers need to reassure businesses, their staff and the whole country that everything is being done to secure our future. That is why I tabled the new clause to call for the Government to review the impact of Brexit on the IP provisions in the Bill.
The Minister for Universities, Science, Research and Innovation (Joseph Johnson): This new clause would require the Secretary of State to issue a report on the impact of the Government’s plans for exiting the European Union on the provisions in the Bill within 12 months of it coming into force.

The Bill does not take forward any EU obligations. The IP unjustified threats provisions do not derive from EU law. They are “home grown” provisions that were first enacted for patents back in the 19th century. The important protections provided by the Bill will not in themselves be changed by Brexit. Businesses pushed for clarity and certainty about how they can contact others over IP disputes, and the Bill will deliver that. Our leaving the EU does not alter that. Of course some IP rights are EU-wide, and the Bill will apply properly to those rights. The threats regime will be consistent across all relevant rights that have effect in the UK.

Furthermore, the Bill will ensure that our UK threats regime works appropriately with the proposed unitary patent and unified patent court when they come into effect. The hon. Member for Sefton Central (Bill Esterson) asked about the UPC following our exit from the EU. The options for the UK’s intellectual property regime after our exit, including our relationship with the unified patent court, will be the subject of negotiation, and it would be wrong to set out unilateral positions in advance. None the less, our efforts will be focused on seeking the best deal possible in negotiations with our European partners, and we want that deal to reflect the kind of mature co-operative relationship that close friends and allies enjoy.

As long as we are members of the EU, the UK will continue to play a full and active role, and making sure the IP regime continues to function properly for EU-wide rights is an example. The UK’s involvement in the EU IP framework after exit is not a matter for the Bill; it will be part of the EU exit negotiations, which of course have not yet begun. It is likely that those negotiations will still be in progress at the point at which the new clause would require us to report. Publishing the suggested report would be unnecessary and could well undermine our ability to negotiate the best deal for Britain in this area.

The hon. Gentleman asked about EU-wide IP rights on Brexit. Of course we are already talking to businesses and to other stakeholders about this important issue. There will be time to address it fully and properly during exit negotiations. Naturally, we will want to see the best outcome and one that supports our innovative businesses. He asked also about EU trade marks and designs. We recognise that users will want clarity over the long-term coverage of those rights. We acknowledge the importance of involving users in the consideration of these issues, and we are working with stakeholders at the moment to gather views on how to address their concerns.

The hon. Gentleman asked on a number of occasions about the EU trademark reform package and the directive. On balance, we think that the reform package is a good one, with modernisations that will make the overall system easier and cheaper for businesses to use.

We are committed to getting the right deal for the UK and we will work with Parliament to ensure a smooth and successful exit. The new clause would not
help us in any of this work; it is unnecessary and potentially harmful to the UK’s interests. For that reason, I ask the hon. Gentleman to withdraw the new clause.

Bill Esterson: I am glad that the Minister said that he was already having discussions with businesses; that is incredibly important. I urge him to make it clear very publicly, sooner rather than later, exactly what the nature of those discussions are. Businesses are already exceedingly worried about the consequences for intellectual property. I thank him for picking up the points that I made about the relationship between EU patent law and UK patent law. I think that he understands that a great deal of reassurance is needed. I do not agree that we would make life more difficult by having this requirement on Government. In fact, it is a sensible move. I would be surprised and very concerned if we did not see a degree of reporting back during negotiations on these and many other matters. None the less, he has put forward the Government’s view in response to the points that I have raised, so I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

Clause 1

PATENTS

Bill Esterson: I beg to move amendment 1, page 2, line 15, after “do,” insert “or claims to do.”.

This amendment deals with people or companies who hold themselves out as the primary infringer: ie, they claim to be the manufacturer or importer of a product (and therefore can be written to freely) when, in fact, they are not. A definition is provided in amendment 3.

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

Amendment 2, page 2, line 19, at end insert—

“(4A) A threat of infringement proceedings is not actionable if the threat—

(a) is made to a person mentioned in subsection (4), and

(b) relates to—

(i) potential future acts of infringement, or

(ii) other acts of infringement

which are fundamentally similar to the current alleged act of infringement.”

This amendment would allow communications from the rights holder to the primary infringer to also refer to secondary infringing acts (by the primary infringer), without it constituting a threat.

Amendment 3, page 2, line 24, at end insert—

“(7) In subsection (4)(a) “claims to do an act” means the person makes an explicit claim in public that they are the manufacturer or importer of the product or process.”

This amendment provides a definition of “claims to do” in amendment 1.

Bill Esterson: Amendments 1 and 3 are related to primary infringers and those who claim “to do”. Amendment 1 addresses the concern about the impact on those who claim to make a product and the potential for action to be taken against them. Amendment 3 defines “claims to do”.

We are dealing here with communication and threats. As the Bill stands, the onus is on a rights holder not to communicate with a party that claims to be a primary infringer of rights. The example that springs to mind is that of an own-label brand in a supermarket. Under the Bill, a manufacturer who believes that a product contravenes their rights may not communicate with the supermarket unless they are confident that there is no other way of finding out who the manufacturer really is. The problem is that smaller manufacturers wanting to challenge the bigger players may not have the expertise or access to expertise needed to comply with the provisions of the Bill. They do not have the staff, time or money to engage legal services or to search for the true identity of the manufacturer. The Minister said in Committee that if action were taken against a rights holder, they would be able to defend themselves in court. Now, that is entirely accurate in legal terms, but the problem is that smaller organisations lack the resources to be able to do so.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): As I think I said.

Bill Esterson: As my hon. Friend may well have said in Committee.

The problem is one of imbalance. Our court system necessarily favours those who have the deepest pockets and the greatest resources, and that does not mean smaller businesses. Will smaller businesses risk winning or losing in court? Will they have the money to defend themselves against an action, or will they think it is worth defending their intellectual property in the first place? It will be for the courts to decide whether a rights holder could have found out who the primary infringer was. For smaller businesses, it could well be a tough choice as to whether they believe the court will back them when they say in court that they did not realise that they should not have contacted the apparent infringer.

If not through what I am proposing, and what my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) proposed in Committee, how does the Minister propose to ensure that there is a level playing field between protecting the rights holder, especially the smaller rights holder, and preventing unjustified threats, especially where the rights holder is the smaller party? How does he propose to guarentee smaller businesses the ability to operate on a level playing field? To be entirely fair to the Minister, I completely understand that that is the purpose of the whole Bill. My thanks go to the Law Commission for its work in delivering to such an objective. The Bill very much has in mind the need to balance protection and encouragement for innovators, entrepreneurs and investors with the need to ensure a fair market and to prevent unfair and exploitative competition. However, there appears to be a degree of ongoing potential for imbalance in the legislation regarding those who claim to be the manufacturer or the primary infringer, and the Minister’s answers in Committee did not go far enough to guarantee that smaller businesses will be protected.

Amendment 2 would address some further concerns of smaller businesses that lack the resources for legal advice and that may fall foul of the Bill’s narrow remit. The amendment addresses the problems where a rights holder challenges not just the primary infringement but secondary acts of infringement. The rights holder may wish to prevent future infringement or to comment on related infringements of a similar nature. The amendment
Joseph Johnson: One of the key purposes of the Bill is to simplify an important but complex area of intellectual property law, making it more accessible and easier to use. One way in which it does this is by setting out a clear statement of those acts that a rights holder can safely refer to in a communication, and that will not trigger an unjustified threats action. This helps to encourage rights holders to communicate with the trade source of an alleged infringement. It would include those who manufacture or import patented products or use patented processes, for example. Such acts are known as primary infringements.

Amendments 1 and 3 seek to make it allowable to approach someone who explicitly claims to be a primary infringer. I am not convinced that there is problem that needs to be solved, but, in any event, there are two key points. First, under the reforms as they stand, a rights holder can already communicate with potential infringers of all types, including those identified by amendments 1 and 3. The Bill provides clear guidance on how this can be done. The provisions therefore make it easier for parties, including small and medium-sized enterprises, to communicate and resolve issues without the need for litigation. Secondly, it is perfectly allowable to make a threat to anyone so long as that threat refers only to manufacturing and importing, or other primary acts. Someone making such a threat would not be at risk of being sued, even if the recipient was falsely claiming to do those acts. For these reasons, as well as the additional complexity introduced, I do not accept that amendments 1 and 3 are appropriate.

Joseph Johnson: I beg to move, That the Bill be now read the Third time.

Intellectual property is crucial to supporting economic growth and a key part of our industrial strategy. I am therefore pleased that this small but important Bill is
The Bill will ensure that businesses, especially SMEs, are best able to make use of the IP regime. In doing so, it will help to deliver the Government’s manifesto commitment to make the UK the best place in Europe to innovate, patent new ideas, and set up and expand a business. The Bill brings clarity and consistency, making it easier and cheaper to solve infringement issues quickly and without litigation. It clearly defines how information can be exchanged to resolve disputes over IP infringement. It also means that legal advisers will now be better able to help to settle disputes without becoming embroiled themselves.

The reforms contained in the Bill are widely supported by stakeholders, not least because of careful research and consultation by the Law Commission. I thank the Law Commission and the Scottish Law Commission for their hard work and expertise in developing these reforms, and for the excellent support they have given the Bill during its passage. I would like briefly to highlight the value of the Law Commission special parliamentary procedure used in the passage of this Bill. The Bill has been strengthened by, in particular, the detailed scrutiny in the other place afforded by that procedure. I am grateful to hon. Members in this House, particularly those who served on the Committee, for their interest and for giving this Bill due consideration. My thanks also go to the hard-working Bill team and to Intellectual Property Office officials for their exceptional work.

The unjustified threats provisions are a valuable part of the wider IP regime and provide much needed protection. These reforms will ensure that those provisions are fit for purpose and make a real difference to our innovators, designers and businesses. I commend the Bill to the House.

1.54 pm

Bill Esterson: I join the Minister in saying that the provisions of this Bill are, overall, exactly what is needed to create a level playing field and support and encourage for innovation and creativity. Those who develop ideas need to have their ideas protected and supported, and bringing together the different elements of intellectual property legislation in the way that this Bill does is very much the right way to go. I mentioned on Report some of the figures and the benefits derived from the fact that the UK has one of the finest IP systems in the world. We must do all in our power to ensure that that continues because it is one of the reasons that this country is an attractive place for investment, and that is one of the reasons we must be optimistic about our future, despite the many challenges that we currently face, particularly the uncertainty around Brexit.

However, we have raised concerns throughout this process. It is a shame that there was not more in the Bill about alternative dispute resolution. The opportunity to tighten things up in relation to smaller businesses would have been welcome, but that has not happened. We need to reward innovation and entrepreneurs, and to balance that against the creation of a fair market and a successful economy. The Minister mentioned the industrial strategy Green Paper. It is critical to the success of the industrial strategy that our intellectual property system functions as well as possible. I hesitate to say that I look forward to how this will develop during the Brexit negotiations, but we certainly need to work extremely hard to make sure that the success of our IP system is retained during those negotiations because of the very close linkage between IP in this country and across the European Union. The Minister mentioned the protection for legal advisers. That is a welcome step forward, as is the clarity and consistency achieved by this Bill. We certainly support its core principles and the overall aims and objectives that have been achieved.

I add my thanks to the Law Commission, to those who have worked on the Bill, and to those who served on the Bill Committee. I hope that the Bill will achieve what is intended for it.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Madam Deputy Speaker (Mrs Eleanor Laing): I must say that that is the most efficient debate on a Bill I have ever seen in this House, and I think that somebody somewhere ought to be commended for it.
Fuel Poverty

1.58 pm

The Minister for Climate Change and Industry (Mr Nick Hurd): I beg to move,

That this House has considered fuel poverty.

I am delighted to open the first annual debate on the important issue of fuel poverty. The fact remains that far too many of our fellow citizens and constituents struggle to afford to keep their homes at reasonable, comfortable temperatures. As I will argue, we are making progress, with some 780,000 fewer fuel-poor homes in 2014 than in 2010, but there is a lot more to do to meet the demanding targets we have rightly set ourselves, as a country, for 2030. It is quite right that the Government of the day are regularly held to account for what they are doing, and encouraging others to do, in the face of this stubborn and complex social challenge.

The debate is important because it is an opportunity for Government and Parliament to hear directly from MPs from across the nation about their experience and insights. In our day-to-day work, we, as MPs, come across the consequences of fuel poverty, not least its impact on the wellbeing and health of our constituents.

Before we get into the discussion, I want to set out the context. Over the past five years, Government have taken action to overhaul the framework for tackling fuel poverty in England. At long last, we have a long-term strategic framework for action on fuel poverty, which is rooted in the 2015 fuel poverty strategy and the long-term statutory target. The journey began in 2012 with the independent review of fuel poverty led by Professor Sir John Hills. The review found that fuel poverty is a distinct issue, separate from income poverty.

However, the debate clearly links to other areas of policy, such as the action the Government are taking to improve living standards by means of the national living wage and by increasing tax thresholds for the lowest-paid. Likewise, we could not have made clearer the insight and challenge that the committee brings as it is formed.

In 2014 the Government introduced the fuel poverty meter tariff cap is a welcome first step. As the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), indicated last week, a consumer Green Paper will be out shortly.

Today, I want to focus on the policy framework that is specific to fuel poverty. The journey to this point started with Professor Hills’s review, which reflected on previous activity and measures to tackle fuel poverty. The review highlighted the fact that although the 10% indicator that had, until that point, been used to measure fuel poverty was well-meaning, it was fundamentally flawed. In 2013, the Government confirmed that the findings of the Hills review of fuel poverty would be adopted, including the low income, high costs indicator. That measure finds a household to be living in fuel poverty if its income is below the poverty line and it has higher-than-typical energy costs.

In 2014 the Government introduced the fuel poverty target for England. The target is to ensure that, so far as is reasonably practicable, fuel-poor households are improved to a band C energy efficiency rating by 2030. In 2015 we saw the publication of “Cutting the cost of keeping warm: a fuel poverty strategy for England”, which set out the principles that the Government would apply and the approaches to be taken when making progress towards the fuel poverty target. The strategy set out the importance of effective levels of public accountability and the role that the Committee on Fuel Poverty, a non-departmental public body formerly known as the Fuel Poverty Advisory Group, will play in that. I welcome the insight and challenge that the committee brings as we look to tackle the serious and long-term societal issue of fuel poverty.

Recognising that 2030 is some way off, the strategy includes interim milestones to guide activity in the shorter term, helping to focus our attention on making progress as we move forward. The milestones are to ensure, so far as is reasonably practicable, that fuel-poor households are improved to a band E rating by 2020 and to a band D rating by 2025. That is the framework.

The fuel poverty target is certainly ambitious, and I have not heard anyone argue to the contrary. The band C target is set at a level that only 7% of fuel-poor households currently enjoy. We are aiming high, and it is right for us to do so. As the Committee on Climate Change reiterated in its report last week, the target is extremely challenging. However, we must be clear that meeting that challenge may provide huge benefits for households that need support. Improving those E, F or G-rated homes to band D can reduce energy costs by an average of £400. I am pleased to be able to say that although the challenge is significant, progress is being made.

Looking to our 2020 milestone, the percentage of fuel-poor households living in homes rated band E or higher has already improved from 79% in 2010 to 88% in 2014—the latest year for which statistics are available. Looking at the 2025 milestone, we see that the percentage of homes rated band D or higher has improved from 29% in 2010 to 59% in 2014.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC) rose—

Lady Hermon (North Down) (Ind) rose—

Mr Hurd: I would be delighted to give way to the hon. Lady.

Lady Hermon: There is a competition going on here over who will intervene. It is kind of the Minister to give way. I am sure he is aware that fuel poverty is particularly acute in Northern Ireland. Many households are still dependent on heating oil, the cost of which is increasing. Will the Minister pledge that, if, as I optimistically forecast, a devolved Administration is restored in Northern Ireland next week, he will liaise very closely indeed with his counterpart in Northern Ireland to develop a strategy that benefits all households across the United Kingdom—not just those in England—rather than leaving Northern Ireland to fend for itself? That is an optimistic forecast, but we have to live in hope.

Mr Hurd: We do indeed. The hon. Lady is entirely right; the fuel poverty statistics for Northern Ireland are particularly striking and stubbornly high. As she indicates, she hopes for better times. Although this is, as she well knows, a devolved matter, the Government are ready and happy to co-operate with the Administration when it is formed.
Jonathan Edwards: What consideration have the Government given to developments in currency levels? We live in an age in which sterling is devaluing. The harder the Brexit, the more sterling will have to devalue. The US dollar, on the other hand, is likely to strengthen as a result of Trump’s expansionary fiscal policy, and the Fed has increased interest rates. Oil is traded in the US dollar, on the other hand, is likely to strengthen harder the Brexit, the more sterling will have to devalue. We live in an age in which sterling is devaluing. The Government given to developments in currency levels?

Mr Hurd: As I said earlier, I do not think that anyone can be under any illusions; the Government are very serious in their intention to make the energy market work more effectively for all. We are all clear that it does not work effectively for all, and the steps that the Government will take will be set out in a consumer Green Paper very shortly.

I was talking about the Government’s performance against the 2025 milestone that we have set, and I stated that the percentage of homes ranked band D or higher has improved from 29% in 2010 to 59% in 2014. That represents approximately 780,000 fewer fuel-poor homes rated E, F or G in 2014 compared with the position in 2010. I hope that the House will welcome that. In terms of the trajectory of improvement, there were 174,000 fewer E, F or G-rated homes in 2014 than there were in 2013, which shows that existing policies are making a difference. As an example, since the scheme started in 2013, approximately 700,000 measures have been installed in 500,000 low-income households as a result of the energy company obligation. That is part of a total of 1.6 million homes that have been improved under ECO.

Alberto Costa (South Leicestershire) (Con): My constituents in South Leicestershire want to know that the Government are doing everything they can to ensure that the energy market works for all of us, whether we are in South Leicestershire or across the United Kingdom. Does my hon. Friend share my view that energy companies should be expected to treat all their customers fairly, not just those who decide to switch?

Mr Hurd: I agree with my hon. Friend. We all know from our constituents about the stress that is caused by anxiety about fuel. I represent a relatively affluent constituency in London, but the statistics show that 8% of my constituents qualify as fuel-poor. This issue affects constituencies across the country. I certainly give my hon. Friend that assurance, and I hope that he will be very satisfied by the material in the consumer Green Paper that will be published imminently.

Recognising that improving household energy efficiency is the most sustainable long-term solution to tackling fuel poverty, we are not complacent, and we are going further to take action. Today, the Electricity and Gas (Energy Company Obligation) (Amendment) Order is being debated in the House of Lords. It will extend the scheme from 1 April 2017 to 30 September 2018. Should the scheme proceed as planned, we expect more than 500,000 homes to be improved over the coming 18 months. The order will also reform the energy company obligation so that 70% of the support available under it will be directed at low-income homes. That represents a real-terms increase from £310 million to £450 million per year, which will be invested in improving the energy efficiency of homes that most need support.

Caroline Lucas (Brighton, Pavilion) (Green): I have no doubt about the Minister’s personal commitment to this agenda, but I wonder why the Government will not make energy efficiency into a national infrastructure priority. Why is energy efficiency not part of the national infrastructure assessment? That would be the way to scale up and meet the ambition he claims the Government have.

Mr Hurd: It is not a claim about ambition; the ambition is set out in long-term statutory targets. The figures I have given show that these are substantial investments. As I will come on to clarify, there is some £770 million of support for low-income and vulnerable consumers in the financial year 2017-18, so there is no shortage of ambition or of investment. The hon. Lady and I share a strong belief in the importance of energy efficiency. I am trying to stress that what we are doing will increasingly focus on the most vulnerable, and, with public finances constrained, that must be the right priority.

James Heappey (Wells) (Con): May I welcome the efforts that the Government have made and their clear success in improving energy efficiency? My hon. Friend is right to highlight the fact that making the obvious saving of getting people to spend less on energy through using less is much more important than the amount we give people to subsidise their energy costs or any intervention we make in the market to cap energy costs.

Mr Hurd: I could not agree more with my hon. Friend. As I have said, previously, he is one of the most thoughtful Members of the House on this subject. He will know that we are on the cusp of something very interesting in our relationship with energy and our ability to manage it more intelligently. Such an opportunity must be just as much available to well-to-do people as it is to those struggling with their bills, and that must be a priority for us. That is partly why I stressed the point that the reforms we are making to the existing policy instruments will increasingly focus on the most vulnerable and the poorest in our communities.

However important it is to improve the energy efficiency of people’s homes, it will inevitably take time, and Government recognise that people also need immediate support with energy bills. We therefore have in place the second pillar of the strategy, the warm home discount. This scheme now provides over 2 million low-income and vulnerable households with a £140 rebate off their energy bill each winter, when temperatures are lowest and bills are highest.

Together the schemes mean that, as I have said, there will be at least £770 million of support for low-income and vulnerable consumers during the financial year 2017-18. This is a significant level of support for households across the country. Other policies will also make a contribution, such as the prepayment safeguard tariff, which I hope the House welcomes, and the roll-out of smart meters. Smart meters are regularly debated in this place, and the evidence is already showing the consumer
Making progress cannot be just about subsidy; regulation will play an important role as we take action to ensure that tenants can live in a home that keeps them comfortably warm. The private rented sector regulations will target the least efficient F and G-rated properties from 2018 by requiring landlords to improve those properties to at least a Band E, unless a valid exemption applies. The Department is currently considering options for the implementation of the regulations, with a view to ensuring that they can be implemented effectively by April 2018.

Of course, there is more work to be done. One key area will be to improve targeting on the households most in need. The Digital Economy Bill, which is currently going through Parliament, will be important in that regard, as it will make available better data on householders and properties. We believe that that will in turn reduce the costs that energy suppliers face in identifying the households most in need, and allow more measures to be installed for the same cost.

The actions I have described are all led by the Government. However, fuel poverty is a problem for all of society, and the Government cannot tackle it alone. That is why partnership is a key theme of the fuel poverty strategy. It is important for the Government to play a leadership role, but also to work in partnership with local government, businesses and the charitable sector. Only by making the most of the varied skills and resources of each of those partners will we, collaboratively, be able to tackle fuel poverty.

Caroline Lucas: According to the Government’s own statistics, the EU ecodesign directive has helped households, small businesses and industry to save thousands on the cost of energy. Indeed, the average annual saving from ecodesign policies for homes is expected to be £153 by 2020, which is 20% of the average annual energy bill. Will the Minister assure us that such rules on energy efficiency will continue to be implemented and updated both during and after our renegotiation with the EU?

Mr Hurd: I certainly agree with the hon. Lady about the importance of good design. In fact, some of the most important progress we have made as a country on energy efficiency has been through building regulations and standards for the quality of our homes and offices. The Government remain ambitious in that regard, as it will make available better data on householders and properties. We believe that that will in turn reduce the costs that energy suppliers face in identifying the households most in need, and allow more measures to be installed for the same cost.

Matthew Pennycook: The Minister is commenting on the importance of good design. In fact, some of the most important progress we have made as a country on energy efficiency has been through building regulations and standards for the quality of our homes and offices. The Government remain ambitious in that regard, as it will make available better data on householders and properties. We believe that that will in turn reduce the costs that energy suppliers face in identifying the households most in need, and allow more measures to be installed for the same cost.

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Caroline Lucas: According to the Government’s own statistics, the EU ecodesign directive has helped households, small businesses and industry to save thousands on the cost of energy. Indeed, the average annual saving from ecodesign policies for homes is expected to be £153 by 2020, which is 20% of the average annual energy bill. Will the Minister assure us that such rules on energy efficiency will continue to be implemented and updated both during and after our renegotiation with the EU?

Mr Hurd: I certainly agree with the hon. Lady about the importance of good design. In fact, some of the most important progress we have made as a country on energy efficiency has been through building regulations and standards for the quality of our homes and offices. The Government remain ambitious in that regard, as it will make available better data on householders and properties. We believe that that will in turn reduce the costs that energy suppliers face in identifying the households most in need, and allow more measures to be installed for the same cost.

The actions I have described are all led by the Government. However, fuel poverty is a problem for all of society, and the Government cannot tackle it alone. That is why partnership is a key theme of the fuel poverty strategy. It is important for the Government to play a leadership role, but also to work in partnership with local government, businesses and the charitable sector. Only by making the most of the varied skills and resources of each of those partners will we, collaboratively, be able to tackle fuel poverty.
Mr Hurd: My hon. Friend makes important points not only about the importance of good design and the opportunities attached to it, but about the potential for data to make us more efficient in targeting support and to help us develop the smarter system that he talks about so eloquently. He will know that there are tremendous sensitivities around the sharing of data, towards which the Government have to take an extremely responsible attitude, but he is right about the opportunities. What he talks about is under active consideration, as he knows.

I ought to bring my remarks to a close so that colleagues can contribute to the debate, but I want to bring us back to why we are here today. Fuel poverty affects households in all our constituencies and it is a problem that we should work together to solve collectively. The fuel poverty strategy made it clear that the Government are committed to ensuring that there is sufficient parliamentary scrutiny of fuel poverty through the means of this annual debate, so I welcome the views of the hon. Members who are in the Chamber.

As I have suggested in my opening remarks, it is clear that we have made progress, not least in setting up, after too long, the much-needed strategic framework and statutory targets that will drive progress and ambition through successive Governments. The numbers show that since 2010 this Government and the previous Government have made progress, but the social challenge we face is very stubborn indeed. I reassure the House that the Government remain extremely committed not just to delivering on our manifesto commitment, but to keeping the country on track to meeting the 2030 target, however challenging.

2.21 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I am delighted to be debating such an important issue with the Minister in this, our first debate together in this Chamber. I welcome the comments he has made thus far.

As Members are aware, this debate is a statutory requirement. As such, it is a prime opportunity to examine the efficacy of the Government’s actions to date in tackling fuel poverty. As the Minister has said, it is an opportunity for Members to share experiences from their own constituencies on this matter.

My local authority has been championing its own fuel poverty strategy. “A Fair Energy Deal for Salford” is one campaign that it is working on with partners such as National Energy Action, energy companies, registered social landlords and landlords in the private rented sector to obtain a pledge to reduce the number of prepayment meters and replace them with standard meters. A shocking 22% of households in Salford have prepayment meters, whereas the national average is 15.1%, as the Minister knows.

In addition, the ability of my local authority to assist vulnerable households has been extended. It launched the “Warm Salford” campaign in 2015, which provides additional grants to give vulnerable households better access to energy company obligation products or to assist those who are vulnerable, but who do not meet the criteria of the national schemes.

We also launched the Warm Salford Referral Network in October 2014, which brings together a partnership of local authorities, the NHS and third-sector partners. It aims to reach those who are most vulnerable to fuel poverty. The good news is that from 2015 to December 2016, more than 310 vulnerable households were referred to it, given advice and referred on for the help they needed to access local, regional and national schemes.

Despite that positive news, 11,333 homes—that is 10.8% of Salford’s households—are still living in fuel poverty. Nationally, despite similar action by other local authorities, more than 4 million families and households are living in fuel poverty in the UK. That is 15 homes in every 100. Members from all parts of the House will no doubt have been contacted by their constituents about fuel poverty. If not, I suggest that they watch the film “I, Daniel Blake”, which shows in painful detail the desperation of one family trying to warm themselves on tea lights in a pot hole because they cannot afford to top up the prepayment meter.

I met one such constituent in Salford—a mother who was living in poorly maintained private sector accommodation, with small children sleeping beside walls covered in black mould. There was not enough money for that mother to pay the bills or even turn the heating on to alleviate the damp conditions. The desperation in that mother’s eyes when she told me she just could not cope any more, as I tried to find help out there, will haunt me forever.

Sadly, that is not a stand-alone case. A cold, poorly insulated home does not just mean that lots of heat is wasted, resulting in a high bill; it means people getting ill, repeated visits to the doctor; a much longer recovery time and, ultimately, greater pressure on the NHS.

Jonathan Edwards: If I heard the hon. Lady correctly, she said that 15% of households in the UK live in fuel poverty. In Wales, the figure is considerably worse at well over a third. The Welsh Government have failed to make any inroads into that over the past 20 years or so, despite Wales being an energy-rich nation and a substantial exporter of electricity. Does she agree that for the people of Wales, at least part of the answer should be Welsh communities getting control over their own energy resources?

Rebecca Long Bailey: The hon. Gentleman makes a very interesting point. There is scope for communities to regain control of their energy supplies in the longer term. That is certainly something the Government should look at. There are a number of other important points that I would like the Minister to address today, so I will continue with my submission.

The health impacts of fuel poverty are worst for those who are most vulnerable—for example, disabled people who find it difficult to move around and do not get the chance to warm up; young people, who run twice the risk of developing a respiratory condition such as asthma; and adolescents, who face a fivefold increase in the likelihood of mental illness. Evidence also highlights that infants living in cold conditions have a 30% greater risk of admission to hospital or primary care facilities. Older people also face a significantly high risk, as the Marmot review team highlighted, stating that they are almost three times more likely to suffer from coughing, wheezing and respiratory illness.

Sir John Hills, professor of social policy at the London School of Economics, states that there is a body of persuasive evidence that links low temperatures with a
number of health impacts, ranging from minor infections to serious medical conditions that can ultimately prove fatal. Sadly, that has proven to be the case, with the NEA finding that an average of over 8,000 people in England and Wales die each winter because they cannot keep their homes warm at a reasonable cost. That estimate includes eight attributable deaths in my constituency of Salford and Eccles—eight deaths.

James Heappey: The shadow Secretary of State makes an important and compelling point on the importance of heat to providing a healthy home. Does she agree that one solution is to give more encouragement to heat networks, particularly those that take waste heat from industry or business and use it to heat homes in the immediate vicinity, as I believe happens at MediaCity in Salford in her own constituency?

Rebecca Long Bailey: The hon. Gentleman makes another important point. That is certainly something that the Government should be giving due consideration to.

James Heappey: They are. They are encouraging it.

Rebecca Long Bailey: They need to give greater consideration to it and provide greater investment. I will move on.

Fuel poverty has a greater social impact. Children who live in cold homes see an impact on their ability to achieve, whether because of illness or simply because of a poor quality home environment. The financial and emotional stress it can place on families can damage relationships and lead to long-term stress-related mental health issues.

I am concerned that, although some work has been done in this area, the fact remains that the number of homes in fuel poverty has slowly been creeping up. The fuel poverty gap, which is a measure of the difference between a household’s energy bill and what it can afford to pay, increased from £235 in 2003 to £371 in 2014. At the same time, we have seen stagnating wages, or a lost decade in earnings as the Bank of England has termed it. What is more worrying is that after the recent Budget, the Institute for Fiscal Studies stated that, on the Government’s current economic trajectory, average wages in 2022 will be worse in real terms than before the financial crash. The Minister will appreciate that as inflation pushes up, the differential between price increases and wage growth will continue to close. Even if energy prices are capped, which I know is an option being considered by the Government, the amount that families have to spend on bills will still get smaller and smaller.

It is not enough, therefore, simply to tackle fuel poverty as a stand-alone issue. The Government must tackle the causes of fuel poverty. Without investing in the tools that businesses need to drive up wages and productivity, wages will continue to stagnate in the long term. Sadly, in the Budget we did not see the investment required from the Government that would in any way go towards bringing us in line with other industrial countries. It is therefore no shock that Britain is the only large developed country where wages fell even as economic growth returned after the crash. I digress slightly, Madam Deputy Speaker.

Caroline Lucas: I will gently move the hon. Lady back to energy efficiency. She is making a very compelling public health case for the need to tackle energy efficiency and fuel poverty. Does she share my frustration that the national infrastructure assessment is a golden opportunity with respect to putting energy efficiency front and centre in the Government’s low carbon green strategy and industrial strategy? They should do that, because it could help to sort out not only the health crisis, but the climate crisis.

Rebecca Long Bailey: I completely agree with the hon. Lady. I share her frustrations and I will come on to that point shortly.

Looking at the efficacy of the Government’s fuel poverty initiatives thus far, they made a manifesto commitment to install one low-cost insulation measure in 1 million homes over the five years of the parliamentary term. That is welcome, but I suggest the Government need to be far more ambitious. Labour, for example, delivered 2.5 million insulation measures installed in homes in just one single year.

Turning to the funding through the warm home discount, whereby money is given as relief to bill payers, this is commendable and it should certainly continue, but it is physically insulating homes themselves that will provide the long-term solution. On the energy company obligation, the main mechanism by which the Government take action on fuel poverty, it has a clear pathway only to next year. There is currently no clear indication of what will happen to the obligation after 2018 and the Government’s consultation on its future has not been forthcoming. I would be grateful if the Minister provided in this debate an update on progress on that area.

The Minister will be absolutely distraught to hear that the UK ranked 14 out of 16 western European countries for fuel poverty, and ranked bottom for the proportion of people who cannot afford to adequately heat their home. I think he would probably agree that this is not a brilliant record for the country with the fifth-largest economy in the world. A helpful comparison to draw is Sweden, where incomes are similar to the UK’s but winters are much colder and gas is more expensive. One might think that Sweden would have a significant fuel poverty problem that far outstripped that of the UK, which, by comparison has mild winters, but levels of fuel poverty in Sweden are approximately half those found in the UK. The major difference is that Swedish homes are properly insulated. A typical Swedish wall is three times more energy efficient. A commitment to that kind of innovation, along with providing the necessary funding, will truly tackle fuel poverty.

The Labour party is keen to make that commitment as part of its industrial strategy to end social injustice and to build a world-leading UK-based renewables and energy efficiency sector with UK-based supply chains. Labour agrees with the NEA, and the hon. Member for Brighton, Pavilion (Caroline Lucas), which states that the National Infrastructure Commission and the UK Government must act on the strong case for domestic energy efficiency to be regarded as a hugely important infrastructure priority. The Minister might wish to outline the Government’s position on that and whether he agrees with Labour.
Economic analysis by the well-regarded Frontier Economics suggests that the net present value of investing in insulating homes could be as valuable as the HS2 project. Cambridge Econometrics found that for each pound spent on insulating homes £1.12 is generated for the Treasury and £3 for the economy in GDP, and 42 pence is saved by the NHS. It is clear that investing in insulation has a positive effect not just for those in fuel poverty or for climate change, but for the wider economy. Unfortunately, however, the fact is that if we compare major insulation measures being installed today to 10 years ago under the previous Labour Government, there has been a huge 88% fall. Put another way, the long-term solution to fuel poverty gets 12% of the support that it originally received.

The fuel poor, by definition, are not in a place to insulate their own homes. It is therefore incumbent on the Government to step in. It is also important for the Government to recognise the wider benefits a real fuel efficiency infrastructure plan would have for all income groups, industry and the wider economy. A little more support from the Government, both to those affected by fuel poverty and to industries waiting to blossom in the renewables sector, could unleash untold economic and social benefits.

To conclude, the Government’s intentions, and those of Ministers, might be good, but there is still a mountain of work to be done. The Labour party is open to working across the House to end fuel poverty for all our constituents. I do hope the Minister has listened to my concerns and will respond accordingly.

2.35 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): I welcome this debate. I hope the Minister, in summing up, will reflect on the impact of high energy costs and high energy demand on the highlands and islands of Scotland in particular. As a highlands MP, I know that fuel poverty is a massive issue.

We need the Government to listen to our story, appreciate our particular situation and work with all of us to deliver fairness in energy charging that can offer hope that, working together, we can drive consumers out of fuel poverty. According to Scottish Government statistics, 34% of Scottish households are in fuel poverty, while for the highlands the figure is 56%; for the western isles, it is 59% and for Orkney it is 65%. Those are shocking statistics. More than half of households in much of the highlands and about two thirds of households in Orkney are in fuel poverty. Can we in this House accept those statistics?

I have to say that there have been times in the past when the House listened to the legitimate grievances of highlanders and islanders, and took action to improve our situation. Just over 100 years ago, in 1886, the House passed an Act that for the first time gave security of tenure to crofters. The clearances and the removal of people, often in a brutal way, was stopped by the crofting Act’s coming into force. In 1965, the Government established the Highlands and Islands development board, now known as Highlands and Islands Enterprise—a venture instrumental in reversing decades of economic decline in the highlands and islands.

I ask the House today to recognise the unfairness in the market for electricity costs that penalise highlanders and islanders. I am asking for the same consideration that was shown when the highlands required Government intervention in the past. We need it now to create fairness in electricity pricing. I accept that those of us from these areas live in some of the most beautiful parts of not just Scotland and the UK, but the world. But we cannot heat our homes with the breath-taking scenery. It is perhaps an enchanting landscape, but often there are biting winds, driving rain and long dark cold winter nights. The aesthetic beauty of the highlands can gladden the heart, but it will not deliver warmth to a pensioner at an affordable cost over a long winter.

We hear repeatedly that the Government want to help those who are just about managing. In many cases in the highlands, the cost of heating means that too many of our people are having to make the choice between putting food on the table and heating their homes. I mentioned that 56% of highland households are in fuel poverty, but 74% of our elderly population are in fuel poverty, of whom 34% are in extreme fuel poverty. I ask the House to dwell on these statistics and then consider what we can do to challenge this situation.

On the island of Skye, electricity came with the construction of the Storr Lochs hydro scheme in the early 1950s. The facility, apart from a small upgrade over the last few years, will now be virtually fully depreciated. It will be producing very cheap, almost free electricity on to the grid: cheap electricity that islanders then have to pay a premium to get back. It is simply an injustice that in an area of the highest levels of fuel poverty, where we produce cheap electricity, we are being overcharged. That is the reality.

There is the broader point that Scotland is an energy-rich country, whether from fossil fuels or our ability to deliver renewable energy today and in the future. Our unique characteristics as an energy producer should not be trapping our people in fuel poverty. Let us not forget that Westminster has extracted a bounty of £360 billion in taxation receipts from North sea oil since the 1970s. Where is the long-run benefit of this dividend? Why is it that the citizens of an energy-rich country such as Scotland, which has produced a bonanza for the Government, suffer fuel poverty to such an extent? We need to take into account the human cost of this failure to tackle head on the root cause of fuel poverty—high and unfair pricing through the lack of a universal market as one issue.

The charity Turn2us has found that one in two low-income households are struggling to afford their energy costs, despite being in work. Among the hardest hit are people with disabilities, with more than two in three of them, 67%, reporting their struggles. Families are also hard hit: almost two thirds of working parents, 65%, are unable to meet these costs. Worryingly, of the households that are struggling with energy costs, nearly half have done so for more than a year.

The knock-on effect is severe, with a third forced to skip meals and over a fifth experiencing stress and other mental health problems. Some of the comments made to Turn2us included these:

“...The bills are killing me, sometimes I have to contemplate paying all the rent or heating my home... There are many pensioners like myself that don’t qualify for any help but still have to decide whether to heat or eat... Starve or freeze? Either way you get ill,
can’t work, eat or pay any bills... No lights only candles, only hoover once a week, only use washing machine once a week, no heating, meals that cook quickly.”

This is not an abstract discussion. These are comments from real people who are struggling on a daily basis. I remind Members that 70% of elderly highlanders are in fuel poverty. That is why people get angry when they see a lack of action. When we hear hon. Members questioning the retention of the triple lock on future rises for the state pension, many of us proclaim that this will not happen in our name. I became an MP to stand up for my constituents and I cannot accept that so many highlanders are in fuel poverty. There is a debate on Scotland’s constitutional future, and we will have a vote on our independence. Let me say that in an independent Scotland, we would recognise our responsibilities to those in fuel poverty and would take action to eradicate it.

The UK has a universal market for postal delivery, as for many other services. People pay the same price whether they live in Skye or Somerset, in Ardnamurchan or Avon, in Gairloch or Gloucester. Why is that not the case for electricity distribution charges? Why are highlanders and islanders facing a premium in electricity distribution charges just because of where they live?

The right hon. Member for South Northamptonshire (Andrea Leadsom) said in her capacity as energy Minister in 2015:

“It is not right that people face higher electricity costs just because of where they live.”

I commend the right hon. Lady for those remarks, but if they are to mean anything they have to be matched by actions from this Government. The issue is not just about the highlands and islands; there are 14 regional markets throughout the UK with different levels of network charges. It is not about price competition either, but about a regulated charge varying from region to region through a price control framework. The reality is that if people live in the highlands and islands, they will pay for the privilege—courtesy of the UK Government.

Electricity distribution charges for the north of Scotland are 84% higher than they are for London. Fuel poverty is exacerbated by the lack of a universal market. Westminster calls the tune; highlanders and islanders pay the price. We pay a high price for transmission charges, but we also have a high rate of energy consumption. The highlands and islands are noted for windy and wet conditions. It is not unusual for people in the highlands to have their heating on all year round. Ofgem noted in a study on the matter that households in the north of Scotland would benefit from a cost reduction of about £60 a year if there was a universal network charge. Sixty pounds would make a significant impact on someone on a low income or a pensioner.

In the highlands and islands, not only are people faced with high transmission charges, but many consumers suffer from a lack of choice in energy provision. Most households cannot benefit from a gas grid connection; the choice is often between electricity and domestic heating oil. The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), who is no longer in his place, noted that prices will go up substantially because of currency movements in the recent past. With such limitations, the last thing we need is price discrimination—for that is what it is—being foisted on us.

Where people live should not result in their being penalised by having to pay higher network charges. Where is the “one nation” that the UK Government speak of so fondly? I notice that the Under-Secretary of State is laughing. I will happily give way to him if he wants to explain why he thinks this is a laughing matter; it is no laughing matter to people in the highlands and islands.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): I am delighted to intervene on the hon. Gentleman to ask how he can seriously invoke the principle of “one nation”, to which my party has been an adherent for 100 years, when he is a Scottish National party Member who is campaigning to remove his country from this nation.

Ian Blackford: I am glad that the hon. Gentleman has risen to explain that, but he cannot get away from the fact that he sat there and smugly laughed when I made my point about the one nation. The point I am making is that it is your Government—I apologise for using the word “your”, Madam Deputy Speaker. It is the Government who are responsible for over-charging highlanders, because they will not recognise that we should have a universal market. It is the Government of the United Kingdom who should address that. Laughing, which is what the hon. Gentleman did, at highlanders and islanders is not acceptable. I hope people in Scotland were watching what happened on the Government Front Bench just now.

Michael Tomlinson (Mid Dorset and North Poole) (Con): As ever, the hon. Gentleman is standing up to make an impassioned, eloquent and compassionate speech, but may I pick him up on one point? He mentioned “one nation”, and my hon. Friend the Under-Secretary intervened. Earlier in the hon. Gentleman’s speech, he mentioned the triple lock. Is that not something for which to thank the Government, rather than castigate them? Will he acknowledge when the Government get things right, as well as challenge them when he perceives there are errors?

Ian Blackford: I will happily do so, and I have spoken about the triple lock on many occasions, but we have had debates here in the recent past in which many Members have questioned continuing with the triple lock. I am asking the Government to commit to retaining that triple lock in order to drive pensioners out of poverty. I commend the Government because they did the right thing in that particular case, but I hope that their commitment to the triple lock will be sustained so that it continues to drive pensioners out of poverty.

When they are right, I happily give credit to the Government, but I do not take kindly to Front-Bench Members laughing when I am standing up for my constituents in pointing out that the definition of “one nation” that the Government talk about is inappropriate when highlanders and islanders are not being treated fairly. There should be equity and fairness, but they do not exist in the UK today.

The highlands and islands of Scotland experience the harshest climatic conditions in the UK and record levels of fuel poverty. There is far greater, area-wide dependence
on the use of electricity for heating as well as lighting, but the standard unit price charged is 2p per kilowatt-hour more than in most other parts of the UK, and 6p or more for the various “economy” tariffs on offer. Perhaps 2p per kilowatt-hour does not sound much, but it is a price premium of 15%. That is what this Government are doing to people in the highlands and islands. They are punishing people there on the basis of where they live, despite the fact that, in many cases, we produce the cheapest electricity, as we do in Skye. The Government are culpable over that, which is why I am asking the Minister to address the point when he sums up later this afternoon. That price for living in the highlands and islands is set by the Government, and it is not acceptable.

On top of all this, there is far greater reliance in off-gas areas on using domestic heating oil and solid fuel, which pushes up household heating costs further still. As a result, domestic energy bills in off-gas areas are, on average, £1,000 more per annum than the £1,369 dual fuel national average for 2014. Figures from the Lochalsh & Skye Energy Advice Service in my constituency suggest that the average total heating bills in Skye and Lochalsh & Skye Energy Advice Service in my constituency suggest that the average total heating bills in Skye and Lochalsh are, on average, £1,000 more per annum than the £1,369 dual fuel national average for 2014. That price for living in the highlands and islands is set by the Government, and it is not acceptable.

The Government must also accept that having 14 regional markets in the UK, with consumers in the highlands and islands paying a premium, is discriminatory. Many Members claim that responsibility for fuel poverty is devolved, which of course it is, but we have no control over the pricing or the regulatory environment; we can deal only with the consequences of fuel poverty that are symptoms of a market that is wholly under the jurisdiction of Westminster.

Our Government in Edinburgh have taken a range of actions to mitigate the effects of fuel poverty, but we need the tools that would come with having greater powers—notably through independence—to be able to deal fully with the circumstances that lead to fuel poverty. We are having to clear up the effects of the lack of a universal market and the pricing regime. Tackling fuel poverty has been a priority for the SNP Government, and by 2021 we will have committed over £1 billion to making Scottish homes warmer and cheaper to heat.

The financial support to tackle fuel poverty is increasing. The Scottish Government’s budget for fuel poverty and energy efficiency measures in 2017-18 will be £114 million, an increase of more than 11% on the previous year. An independent review of the way in which fuel poverty is defined has been undertaken by a panel of four academic experts in the light of concerns that current definitions may be impeding efforts to target those most in need. In the meantime, there is a new pilot programme in rural areas offering targeted support to cut energy bills.

Although fuel prices are beyond our control and fuel price increases can militate against our efforts to reduce fuel poverty, it is welcome that, owing to relatively stable market conditions, the number of people in fuel poverty in Scotland has fallen by 100,000. That reduction was heavily influenced by the measures that we have introduced. However, it is worth noting that fuel poverty in Scotland would be at only 8% if fuel prices had only risen in line with inflation between 2002 and 2015. High and rising pricing is our biggest enemy—and I use that word advisedly. Scottish Government action has been commended by, among others, the Scottish Fuel Poverty Strategic Working Group in a recent report, but more needs to be done in a holistic manner to tackle the scourge of fuel poverty. New affordable homes are part of that mix, and this year the Scottish Government will invest £590 million to increase the supply of affordable homes in Scotland. Targeted financial support of £1,900 for low-income families through the Best Start grant also helps—support, incidentally, that is £1,400 higher than what is on offer from the UK Government.

We are taking our responsibilities seriously. Through those measures, through such initiatives as supporting a real living wage and through the recently published Child Poverty (Scotland) Bill, we will use our powers to improve the conditions of many of those who are suffering fuel poverty in Scotland.

Finally, I want to reflect on the recently announced 14.9% increase in electricity pricing by SSE and on the fact that a 5% increase in prices pushes an additional 46,000 people in Scotland into fuel poverty. In the past, I have commended SSE for its customer service and the astonishing way in which its staff respond when bad weather leads to power interruptions, as it sometimes does during the winter months in the highlands. The speed of the response of the company and its customer service have been exemplary. Notwithstanding that commendation, however, it should be recognised that being effectively a near-monopoly supplier in the highlands and islands also brings a duty to act in a spirit of social responsibility. After all, in many respects SSE is a public utility in all but name. A price rise of this magnitude is simply not justified; the company has let itself down.

We await SSE’s financial results for the year to March 2017, but its interim statement forecast a year of growth and dividend increases. In the year to March 2016, its dividends to shareholders increased by 18.3% to £708 million. I would caution the company to ensure that it behaves in a socially responsible manner at all times. Increasing rewards to shareholders so generously does not sit well with the reality of so many of its customers being in fuel poverty, and now being pushed further into fuel poverty by this price increase. I am not against the company’s making a reasonable return on its investments—it must generate sufficient cash to invest in future electricity generation—but it must also balance the needs of all its stakeholders. In particular, affordability and the ability to pay bills must be at the heart of its thinking when it is addressing executive pay and shareholder rewards.

I welcome today’s debate, but we need action from the UK Government, most notably on the creation of a universal market. People should not be penalised because of where they live. Equity and fairness must be introduced, and it is time for the Government to take appropriate action.

2.55 pm Mar|ion Fellows (Motherwell and Wishaw) (SNP): I want to approach today’s debate from the perspective of older people and those who are particularly vulnerable
as a result of fuel poverty. I want to be a voice for the people in Scotland who are disproportionately affected by fuel poverty, as others are across the United Kingdom. I commend my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) for talking about the difficulties faced by those in his constituency and throughout the highlands.

In Scotland, 58% of single pensioner households are in fuel poverty, as are 44% of pensioner couples. The UK as a whole has one of the highest rates of fuel poverty and one of the most inefficient housing stocks in Europe. Fuel poverty rates are higher in Scotland. It is an indisputable fact that more often than not it is colder in Braemar than in Bournemouth, and that means that houses must be heated from a lower ambient temperature and for longer periods throughout the year.

Today in London the sun is shining, and although it is cold, older and vulnerable people could probably venture outside. This morning I received two picture messages showing snow lying on the ground outside my Wishaw home. Not many older or vulnerable people will be venturing outside there until it thaws. They will need to heat their homes in the meantime, and the cost of heating those homes is a burden that many of them simply cannot afford. That is shameful. When people are old, infirm or immobile, the cost of heating can be excessive, especially for those on low fixed incomes.

Many in fuel poverty will be using prepayment meters to pay for the cost of heating their homes. Consumers who are in arrears with gas or electricity bills can be switched to prepayment meters. According to Ofgem, more than 90% of those consumers are currently not repaying a debt, and are therefore unable to switch to different tariffs that could cut their fuel costs. Switching is absolutely impossible for them.

There are two main ways of tackling fuel poverty. One is to make homes more energy-efficient, and, as housing is a devolved competence, the Scottish Government have poured significant resources into making homes more affordable to heat.

Mr Jim Cunningham (Coventry South) (Lab): Is the hon. Lady aware that electricity prices have risen by about 125% overall, and gas prices have risen by about 75%? More important from the point of view of older people, the Government have withdrawn their green deal. Houses could have been insulated against cold weather. I hope that the Minister will respond to that point when he winds up the debate.

Marion Fellows: I thank the hon. Gentleman for making that point. Thank goodness I live in Scotland, because the Scottish Government are pouring even more money into making homes more energy-efficient. I myself have benefited from a deal whereby my loft was insulated at no cost, because by that time both my husband and I were of pensionable age. In fact, I think that it was only my husband who was of pensionable age. May I make a plea for that?

Gavin Robinson (Belfast East) (DUP): Yeah, yeah.

Marion Fellows: The hon. Gentleman is cheering me on from the Benches behind me.

By 2021, the Scottish Government will have spent more than £1 billion to ensure that Scottish homes and other buildings are warmer. Since 2008, more than 1 million energy efficiency measures have been installed in nearly 1 million households across Scotland, and the proportion of homes with the three highest energy ratings has increased by 71 per cent since 2010.

Scottish local authorities have also had an additional £10 million this winter to ensure that homes are energy efficient. The Scottish Government do not do that because it is a nice thing to do; they do it because it is absolutely necessary and imperative, to protect the most vulnerable people living in Scotland. Also, rather than simply throwing money at the problem, the Scottish Government have taken a consultative approach, working with many independent stakeholders and acting on their recommendations. My hon. Friend the Member for Ross, Skye and Lochaber mentioned the independent Scottish Fuel Poverty Strategic Working Group, and it has commended the Scottish Government; I will come back to that later.

Progress has been made. In 2015 almost 100,000 fewer households were in fuel poverty than in 2014. Energy to heat our home is a basic human right that no one should go without. That is especially true for older and vulnerable people in our society. Action has been, and will continue to be, taken in Scotland during the course of this Parliament, and a warm homes Bill will be introduced to set a new target for tackling fuel poverty so that it may be challenged head on.

I received an email from Age Scotland this morning. It welcomes the fact that the Scottish Government have designated energy efficiency as a national infrastructure priority. They have also given a commitment to invest half a billion pounds over the lifetime of this Parliament to tackle fuel poverty and promote energy efficiency. That is crucial, and it is what the UK Government need to do for homes in England and Wales, and to help in Northern Ireland. I know this does not come under the competency, but the Westminster Government is the largest Government in the UK and they must set an example.

As has been said, rural communities have particular issues with fuel poverty. In Scotland, the fuel poverty rate is 50% in rural areas compared with 32% in towns and cities, and a staggering 71% of homes in the Western Isles are in fuel poverty. Due to the demographics of these islands, pensioners are largely affected. Only this month, on 8 March, the Scottish Government announced a pilot scheme that will see 220 rural households offered support specific to the needs of older people in these islands to cut their energy bills. The pilot and its review will be used to develop the Scottish Government’s new fuel poverty strategy, due to be published later this year.

The Scottish Government have made huge efforts to minimise the number of older people affected by fuel poverty but are hampered by realities such as many rural homes being off the mains or off-grid, which means they cannot access gas supplies as the majority of us do—something most of us in this Chamber take for granted.

New powers to the Scottish Parliament will maintain winter fuel payments for pensioners in Scotland. Furthermore, early payments to almost 80,000 pensioners who live off-grid will also be made available in 2018, so that they can take advantage of lower energy prices available during the summer months. That is a common sense
idea that will help improve the lives of many older people. In addition, the winter fuel payment will be extended to families with children in receipt of the highest care component of disability living allowance.

As I have shown, the Scottish Government are already taking great steps to address fuel poverty. However, only so many powers to do so are located north of the border; the rest lie here at Westminster, and it is therefore here that the responsibility must lie. As has been mentioned, the fuel poverty rate for 2015 would have been 8.4% instead of 31% if fuel prices had only risen with inflation. Instead, the UK Government have allowed corporations to hike up energy prices, to the detriment of vulnerable groups who are in greater need of a warm home—a basic necessity which, let us be honest, can make the difference between life and death. The current cost of fuel poverty to NHS Scotland is calculated at £80 million per annum, and that must be much higher in the rest of the UK.

Increases in prices can outweigh everything that the Scottish Government are trying to do on fuel efficiency. No matter how much the Scottish Government spend, they can still have little impact on fuel prices across the UK. However, a Scottish Government Minister chaired a summit on 14 December last year urging energy companies to make a difference to low-income households living in fuel poverty and facing a poverty premium tax.

Marion Fellows: No, I cannot, because I am not here representing the Scottish Government. The electrification of heat is a joke in some of the far-flung places in the highlands and islands. If we electrify heat, we are then causing more carbon emissions in many regards, depending on what fuel we use. We in Scotland already have huge power resources run by water power, and the Scottish Government only recently opened a new dam that would produce—[Interruption.] The hon. Member for Wells (James Heappey) is chuntering from a sedentary position; I beg his pardon, but I can only answer what I was told. The UK Government have allowed corporations to hike up energy prices, to the detriment of vulnerable groups who are in greater need of a warm home—a basic necessity which, let us be honest, can make the difference between life and death. The current cost of fuel poverty to NHS Scotland is calculated at £80 million per annum, and that must be much higher in the rest of the UK.

James Heappey: Will the hon. Lady give way?

Marion Fellows: Will the hon. Lady give way?

James Heappey: The hon. Lady is right that there are ways of insulating people from the volatile cost of energy, the most obvious of which is the electrification of heat. Will she share what the Scottish Government’s plans are for delivering that?

Marion Fellows: The hon. Member for Wells (James Heappey) is chuntering from a sedentary position; I beg his pardon, but I can only answer what I have been asked. Recently the Scottish Government opened a new dam, producing power, but we have the real difficulties of getting power from Scotland on to the grid at a reasonable cost.

James Heappey: Will the hon. Lady give way?

Marion Fellows: No, I am sorry, but I will continue my speech.

There are of course other ways that the UK Government can take action. They can increase household incomes, but instead they have allowed wages to stagnate, adopted a false living wage for select age groups, and pushed people further into poverty through their welfare cuts. The truth is that this Government do not do enough to help our most vulnerable people.

The Scottish Government have now taken over control of some of the new welfare powers. They have hit the ground running by doing what they can to support vulnerable groups, and please be assured that the new Scottish Government welfare powers will be built on a foundation of respect and dignity—things that are severely lacking in the UK welfare regime. For older people, the Scottish Government have launched a campaign to ensure that all groups are able to access the public funds they are entitled to; for example, one third of pensioners are entitled to pension credit but do not claim it. The new best start grant has already been referred to, and the Scottish Government have spent almost £58 million mitigating the impact of Tory austerity cuts to welfare homes across Scotland. A £7.7 million increase in funding for discretionary housing payments will be made as the Scottish Parliament takes over more welfare powers. Between April 2013 and March 2016, local authorities will have made 321,000 discretionary housing payment awards totalling £129 million.

I can tell the House from personal experience how important these discretionary housing payments and the Scottish welfare fund set up by the Scottish Government to mitigate these cuts were to people when I was a local councillor. Since becoming an MP, I can also tell of the numbers of people attending my surgeries in real poverty, and that impacts especially on their ability to keep their houses warm; they are in real fuel poverty as a direct result of some of the actions taken by this Government.

The Scottish Government have also taken steps to mitigate the impact of the bedroom tax. All of this has helped the most vulnerable groups in Scotland. However, this will come as no surprise to the House—I agree with the First Minister that the Scottish Parliament’s finances and powers should be used to tackle poverty at its core, rather than being a plaster over Tory neglect. Given the powers that they currently have, the Scottish Government are doing what they can to alleviate fuel poverty in Scotland. Much of what they have done has helped with energy efficiency, thus reducing bills. The World Health Organisation attributes 30% of preventable deaths to cold and poorly insulated housing. Inroads have been made in Scotland to improve housing. In fact, some new houses were built and allocated recently in my constituency and they have been built to the highest specifications. This will enable the people living in them to spend far less on fuel than is currently the case in most houses across Scotland.

It is imperative that the UK Government urgently address the cost of energy across the UK. The large energy firms must be made to fulfil their social responsibilities. It is shameful that so many folk across the UK have to juggle heating and eating. Rolling out smart meters is not enough when people have no means of keeping warm. The fact that the Minister refers to an energy, the most obvious of which is the electrification of heat. The current cost of fuel poverty to NHS Scotland is calculated at £80 million per annum, and that must be much higher in the rest of the UK.

Marion Fellows: [Interruption.] The hon. Member for Wells (James Heappey) is chuntering from a sedentary position; I beg his pardon, but I can only answer what I have been asked. Recently the Scottish Government opened a new dam, producing power, but we have the real difficulties of getting power from Scotland on to the grid at a reasonable cost.

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James Heappey: Will the hon. Lady give way?

Marion Fellows: Will the hon. Lady give way?
need to invest. That was rightly mentioned by the hon. Member for Salford and Eccles (Rebecca Long Bailey).

Evidence shows that £3 can be returned to the economy for every £1 invested by central Government, so when the Government say that they cannot afford to invest more in this agenda, it is only right for us to point out that, if the agenda were tackled properly, it could save them money as well as having very real impacts such as reducing the serious harm being done to so many in our communities and preventing premature deaths. So, given that there are so few win-wins in politics, it seems particularly perverse that the Government are turning their back on this one. Taking action in this way would help to ensure that the 2.3 million families living in fuel poverty across the UK had some kind of hope for the future.

We have heard from several hon. Members that fuel poverty is not just an inconvenience; it is nothing less than a national crisis. Forgive me for referencing this for, I think, a third time, but this is so frustrating because we know that we need to scale up investment in energy efficiency, and the national infrastructure process would have been an obvious way to do that. It would be a way to channel funding into this incredibly important area, which otherwise risks being overlooked in many ways.

I want to mention the Committee on Climate Change, whose report last week made it clear that improving energy efficiency through better insulating our homes is key to meeting our climate targets. In that respect, will the Minister give us an indication of when they will include a comprehensive energy efficiency plan, including a statutory commitment to ensuring that all fuel-poor homes have an energy performance rating of at least C by 2030 at the latest?

With one in 10 households living in fuel poverty, it is also a matter of concern that the Government have no scheme for comprehensively insulating fuel-poor homes in England. Meanwhile, the changes being made to the energy company obligation are likely to decrease the support available to fuel-poor households, with those on low incomes unable to replace inefficient gas boilers, for example. We know that 9,000 excess deaths were linked to fuel poverty last winter, and if we are to take seriously the claims being made about the Government’s commitment to this issue, we need to know when they will put in place the kind of actions that are needed.

Finally, I want to say a little bit about how people can, to coin a phrase, take back control. That phrase has been used a lot in recent months, and if there is one area of our lives where we should be taking back control, it is in relation to energy. Right now, our energy system is in the hands of the big six, and for ordinary consumers, it can feel very hard to have any kind of leverage. We are always told that we simply have to switch to a cheaper supplier, but again, that puts responsibility on the consumer and we are still at the mercy of whatever the different energy companies come up with.

Instead of having the big six, we should have 60,000. We should do what Germany is doing and have real community energy, not just as a nice-to-have extra bit of luxury but as the bread and butter of our energy system. If we were to do that, we could really give people more control over energy. We could ensure that the huge energy companies were not siphoning off big profits and that investment was going back into the community. We would need to ensure priority access to the grid for community renewables, and a community right of first use—at wholesale, not retail, prices—of the energy generated. We would also need a planning framework that was able to determine locally the degree of community ownership required as a precondition of permitted development, and a right to acquire or own the local distribution network and to sell long consumption—in other words, demand reduction— alongside demand management and renewable energy. I can also imagine a role for the Green Investment Bank, if it was still properly in our hands rather than being flogged off to Macquarie, as seems likely to happen.

We have heard a lot today about the importance of tackling fuel poverty, and that is exactly right. We have also heard a lot about the impact of fuel poverty on our constituents. If we were to take a slightly bolder view, we could solve fuel poverty at the same time as bringing energy properly back into community hands—into the hands of us all—and that is a vision worth fighting for.

3.16 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): We are in a cold homes crisis, with more than 4 million households in fuel poverty across the UK. Across the UK in 2014-2015, there were 43,900 excess winter deaths. According to the World Health Organisation, a minimum of 30% of those deaths resulted from cold homes. In my constituency, there are 7,241 households struggling in fuel poverty. Life in fuel poverty is miserable. No one should be choosing between heating their home and eating. Children should not be growing up in cold, damp rooms. Old people should not have to stay in bed or live in just one room because they cannot warm their house.

This debate is happening because the last Administration’s fuel poverty strategy, published in 2015, mandated it to happen. The current statutory target is to lift as many fuel-poor households up to band C energy efficiency standard “as is reasonably practicable” by 2030. This Government’s record on fuel poverty and their performance against that target are abysmal and going nowhere fast. The charity National Energy Action estimates that at this rate we will miss the target by 80 years. Yes, 80 years. A baby born today will not see the end of fuel poverty in the UK in her lifetime. That is a scandal. That is approximately calculated by noting that around 30,000 fuel-poor houses per year are being brought up to band C. That is so far from what is needed that I do not know how the Government can defend it.

What response to this striking lack of progress have we had from the Government? They say that they will spend less on energy efficiency measures—measures that are recognised in their own fuel poverty strategy as the most sustainable way to make permanent progress on fuel poverty. Under a Labour Government in 2007, we saw 2.5 million energy efficiency measures implemented in a single year. That number has now fallen off a cliff. Under this Government’s policies, we will see 12% of that. Total investment fell by 53% between 2010 and 2015, and England is now the only UK nation without a Government-funded energy efficiency programme. That has not been the case for 30 years.
The Government lack the necessary political will and determination to address this injustice. It is so frustrating, not just because it condemns thousands of households to continued misery, indignity and ill health, and not just because the youngest, the oldest and the poorest in our society are hit hardest by fuel poverty, but because the solutions are so clearly and obviously sensible.

Properly addressing fuel poverty would ease the burden on the NHS. National Energy Action estimates that £1.6 billion is spent each year on treating the impacts of cold homes. Labour’s commitment to insulate 4 million homes would create over 100,000 jobs and apprenticeships, as well as training programmes across every region of the country. Those homes would have reduced energy bills, which is another key driver of fuel poverty. A report by Cambridge Econometrics and Verco found that every £1 invested in an ambitious energy efficiency programme such as Labour’s would return £3. The plan would reduce natural gas imports by 26% by 2030 due to reduced demand, save £8 billion a year on energy bills, increase relative GDP by 0.6% by 2030 and reduce carbon emissions.

One of the ways to bring energy efficiency measures to fuel-poor households is through the energy company obligation or ECO. The newly costed ECO will cost £640 million a year—a 42% reduction compared with the previous phase of the programme. While the Government may say that that is more tightly focused on fuel poverty, the reality is a massive funding cut. This Government are betraying those in fuel poverty and snubbing their own legal targets.

A key risk factor for those in fuel poverty is living in a household that is off the gas grid. Non-gas households rely on more expensive fuels, such as electricity and oil, to heat their homes and often live in harder-to-treat, energy-inefficient properties with no central heating or solid walls. Some 20% of fuel-poor households are off the gas grid, yet they have received only 1.4% of the measures under the affordable warmth element of ECO since 2013.

James Heappey: That ties in with the earlier point made by the hon. Member for Motherwell and Wishaw (Marion Fellows). We could encourage the electrification of heat as a solution for those who are off the gas grid. Heat pumps can operate efficiently and reduce heating costs for those who would otherwise be at the mercy of the oil market. Does the shadow Minister agree that that should be a priority for such customers?

Gill Furniss: The hon. Gentleman makes a good point. We must be bold in these areas and consider everything that we possibly can. I thank him for that intervention.

Gas distribution networks, which manage the network infrastructure that transports gas to homes and businesses across GB, should deliver 14,864 new connections to fuel-poor households, but funding for new central heating systems available through the ECO is limited to 4,000 systems, so funding is lacking for over 10,000 households. In the spring Budget, the Chancellor completely failed to act on that and provided no extra funding to ensure that the most affected fuel-poor households are given the support to stay warm. Regrettably, that seems to be a running theme in the Government’s approach to tackling fuel poverty. Given the shortage of funds, I hope the Minister can explain how exactly the Government intend to tackle the off-gas homes that are most at risk of severe fuel poverty.

The warm homes discount is an annual payment of £140 to around 2.1 million households to relieve pressure on their energy bills, but it was revealed last year that only 15% of those in receipt of the discount were actually in fuel poverty. The Treasury, then under the new editor of the Evening Standard, said that the system was working, but the scheme’s targeting is a total failure. The Minister for Climate Change and Industry said in a Delegated Legislation Committee last year that the Government would address that through better data-sharing in the Digital Economy Bill, but the Government are yet to explain how they will improve targeting.

A co-ordinated, comprehensive approach to fuel poverty at a local level can be key to tackling the cold homes crisis. In its 2015 cold weather plan, Public Health England made it clear that fuel poverty and reducing excess winter illness and death should be deemed core business by health and wellbeing boards and should be included in their strategy plans. However, research has found that 40% of the 152 health and wellbeing boards in England failed to address fuel poverty in their strategies. I have written to my local health and wellbeing board to ask them about its progress on implementing the National Institute for Health and Care Excellence guidelines. It replied that the savage cuts to local funding and the lack of Government funding to address fuel poverty directly have made it difficult to implement the NICE guidelines fully. This Government have been standing still on fuel poverty and going backwards on energy efficiency measures to address it.

Mr Jim Cunningham: We debated this matter in the previous Parliament, but we never seem to resolve it. The Prime Minister has hinted that she may put a cap on prices, but if she is going to do that, she should really tackle the big six cabal, which was raised in the House last week. It is not good enough to tell people that they should shop around and get a different supplier—that does not work. It is about time that this Government put their money where their mouth is and tackled the big cartel.

Gill Furniss: My hon. Friend’s intervention is timely in that several hon. Members have put that case well. The Labour party’s last manifesto proposed to freeze the energy prices of the big six.

Dan Jarvis (Barlows Central) (Lab): My hon. Friend made an important point about the contribution made by local authorities in drawing together the work that happens at a local level. Does she agree that, to reduce the number of excess winter deaths, it is important at a national level that the Government co-ordinate across Whitehall and that meaningful conversations happen between Departments?

Gill Furniss: That is absolutely the way forward. We should be looking at new build homes that contain all the necessary measures, and many Departments have a part to play in that. Sheffield Heat and Power is a good example of how to take waste and turn it into energy.
That is what I mean when I said that we must be bold. We have to take every opportunity and learn lessons from other countries.

Jesse Norman: Will the hon. Lady give way?

Caroline Lucas: On the Government’s commitment to this agenda, can the Minister answer the fact that the notional annual spend on the overall ECO programme has reduced from an original £1.3 billion to £640 million? The new cap on heating measures with the ECO leaves a big gap in provision for low-income or vulnerable consumers who cannot now afford to repair or replace existing gas boilers. What is his answer to that?

Jesse Norman: If the hon. Lady had attended closely to my opening remarks, she would have heard me acknowledge that the scheme has been reduced in size but that funding for more vulnerable groups has been increased. If we combine that with the wider support through the warm home discount, let alone the national living wage and other applicable measures, we see that the Government are doing a great deal in that area.

Mr Jim Cunningham: The Minister just said that funding for vulnerable groups has actually increased. By what does he measure that? What is the actual figure?

Jesse Norman: I have just covered that. I am embarrassed that my remarks should be so ill-attended. The regulations for the new scheme, which launches on 1 April 2017, represent an increase from £310 million to £450 million a year. Combined with the warm home discount, that gives £770 million of support for low-income and vulnerable customers in 2017-18.

We have also taken steps to improve targeting. The eligibility criteria for the ECO scheme, which is proposed to run from April 2017 to the end of September 2018, will improve the targeting rate to 34%. We do not believe that is enough. The targeting rate can go higher, and the Digital Economy Bill, which the hon. Member for Sheffield, Brightside and Hillsborough mentioned, is currently going through Parliament and will enable greater data sharing and give the Government the
opportunity to improve the targeting of the next generation of fuel poverty schemes, including the warm home discount.

When the regulations were made last summer, the Government stated that there is more to be done to target the schemes at those who most need them. That is still true, with the current targeting rate of fuel poor households at around 15%. However, Members should note that increasing that proportion in the current scheme, which is committed to 2021, would be at a cost to other low-income households. We will be mindful of that factor when making decisions on the future direction of the scheme.

The hon. Member for Motherwell and Wishaw (Marion Fellows) criticised the Government, whom she regarded as presiding over stagnant real incomes. All I can do is direct her to the fact that, last year, full-time pay grew by 0.7% in Scotland, whereas it grew by 1.9% in the UK as a whole. According to Scottish Parliament numbers, it fell for the three years following 2012.

I yield to no one in my admiration for the hon. Member for Ross, Skye and Lochaber (Ian Blackford), and I was grateful for his support in being elected Chair of the Culture, Media and Sport Committee. He also comes from a nation I deeply revere and whose history I greatly respect, but I am afraid that he has embarrassed himself in this debate with an unworthy attempt to personalise a very serious set of issues. Mine was a response to the gap, which the stricture on unparliamentary language prevents me from describing as anything more than disingenuous, between his words and his deeds.

The fact of the matter is that these matters are devolved. Even so, the Government have offered support, as I described, through the ECO, the warm home discount. The official 2016 fuel poverty statistics showed that, despite progress towards the 2020 milestone, with 88% of homes rated E or above in 2014, there remains a significant challenge if we are to make progress to the 2030 fuel poverty target.

The statistics show that only 7% of fuel-poor households were rated B, C or higher in 2014, which clearly shows that the fuel poverty target we have adopted, which was set in 2014, is ambitious, and rightly so. That legal target makes it clear that the Government do not accept the situation. [Interruption.] If I may respond to the hon. Member for Motherwell and Wishaw (Marion Fellows), she invites the Government to tackle the root causes of fuel poverty, but that is exactly what we are doing.

Further to my comments about the last Labour Government, it should never be forgotten that the real wages of the bottom third of the population of this country stopped growing in 2003, not in 2008—it was a function not of the financial crash but of a whole series of factors and of bad government, and we should recognise that.

The hon. Lady said the Government need to be more ambitious, and we are being extremely ambitious. We have a transitional arrangement that runs through until September 2018. We then expect a further supplier obligation, on which we will consult later this year, to take us through to 2022.

We know that households living on low incomes are all too often left to live in the coldest and least efficient homes. We know that living in a cold home can have negative implications, to say the least, for health and wellbeing. The official 2016 fuel poverty statistics showed that, despite progress towards the 2020 milestone, with 88% of homes rated E or above in 2014, there remains a significant challenge if we are to make progress to the 2030 fuel poverty target.

The statistics show that only 7% of fuel-poor households were rated B, C or higher in 2014, which clearly shows that the fuel poverty target we have adopted, which was set in 2014, is ambitious, and rightly so. That legal target makes it clear that the Government do not accept the situation. [Interruption.] If I may respond to the hon. Member for Motherwell and Wishaw (Marion Fellows), she invites the Government to tackle the root causes of fuel poverty, but that is exactly what we are doing.
INCOME TAX

That the draft Scotland Act 2016 (Income Tax Consequential Amendments) Regulations 2017, which were laid before this House on 30 January, be approved.

ELECTRICITY

That the draft Electricity Supplier Payments (Amendment) Regulations 2017, which were laid before this House on 20 February, be approved.—(Steve Brine.)

Question agreed to.

Baby Loss (Public Health Guidelines)

Motion made, and Question proposed, That this House do now adjourn.—(Steve Brine.)

3.41 pm

Will Quince (Colchester) (Con): As my wife will testify, I am rarely early for things, so to be more than three hours early for something is a rare treat indeed. I know that both you, Mr Deputy Speaker, and the Minister will be pleased to know that I intend to take only about two and a half hours of the just over three hours available to me.

As the House knows, I am a passionate campaigner in the area of baby loss. Having unfortunately experienced it myself, I have always been clear that I want to use my position in the House to bring about change so that as few people as possible have to go through this absolute personal tragedy. In the latest year for which figures are available, there were 3,254 stillbirths in England and Wales, with a further 1,762 neonatal deaths shortly after birth. Every single one of those is a personal tragedy, yet perhaps the most galling aspect is that so many of these deaths—reportedly about half—are actually preventable.

I strongly welcome the Government’s plans to cut the stillbirth and neonatal death rate by 20% by 2020 and, furthermore, to reduce it by 50% over the next 15 years, but those are just numbers unless we put in the resources necessary to deliver on this. Trusts have received £4 million to buy better equipment and boost training to cut stillbirth and neonatal death. More than £1 million is also being provided to help develop training packages so that more maternity unit staff have the confidence to deliver safe care. It is hugely positive that the Department of Health has recognised the scale of the challenge and set aside this funding, but we need to focus as much on reducing the risks of stillbirth.

One significant risk factor remains one of the toughest to eliminate and, as a result, carries the greatest reward if we can address it: smoking in pregnancy. Let me be clear that this debate is absolutely not about criticising or demonising women and their partners who smoke during pregnancy. We all know that tobacco is highly addictive and it can be difficult to stop smoking. However, smoking while pregnant is the No. 1 modifiable risk factor for stillbirth. If I may, I will run through a few statistics: one in five stillbirths is associated with smoking; women who smoke are 27% more likely to have a miscarriage; their risk of having a stillbirth is a third higher than that of non-smokers; and mothers who smoke are more likely to have pre-term births and babies are who are small for their gestational age.

Maternal exposure to second-hand smoke during pregnancy is an independent risk factor for premature birth and low birth weight, yet only one man in four makes any change to his smoking habits when his partner is expecting a baby. If, tomorrow, every pregnancy was smoke-free, we would see 5,000 fewer miscarriages, 300 fewer perinatal deaths, and 2,200 fewer premature births every year. Were children not exposed to second-hand smoke, the number of sudden infant deaths could be reduced by 30%.

The previous tobacco control plan set targets for reducing rates of smoking in pregnancy. In 2015-16, the number of women smoking at the time of delivery had fallen to 10.6%—below the Government’s target of
11%—yet the fact that the Government’s target has been met nationally masks geographical variations. Yes, we are seeing rates of 2% in Richmond, 2.2% in Wokingham and 2.4% in Hammersmith and Fulham, but rates of smoking in pregnancy are 26.6% in Blackpool, 24.4% in South Tyneside and 24.1% in North East Lincolnshire.

Of the 209 clinical commissioning groups, 108 met the national ambition of 11% or less, but that means that 101 did not. It is even more worrying if we look for improvements in the rates of smoking in pregnancy in CCG areas. Yes, 14 CCGs have improved significantly over the past year, but 182 have rates that are about the same and, even more worryingly, 13 have significantly worse maternal smoking rates.

The Government have committed to renewing targets to reduce smoking in pregnancy. Reducing regional variation in smoking during pregnancy and among other population groups is a high priority for the Minister, and I know the Government are focusing on it as they finalise the tobacco control plan. I was pleased to see the recent news that NHS England granted £75,000 of funding to the 26 CCGs that are most challenged on maternal smoking.

How do we achieve the Government ambition for a 50% reduction in stillbirth and neonatal deaths by 2030? First, we need to publish a new tobacco control plan. The previous tobacco control plan for England expired at the end of 2015. The Government have promised that a new one will be published shortly. The publication of the strategy is now a matter of urgency, so will the Minister kindly advise on how shortly “shortly” is?

The strategy needs to include ambitious targets for reducing smoking in pregnancy. The Smoking in Pregnancy Challenge Group—a partnership of charities, royal colleges and academics—has called for a new national ambition to reduce the rate of smoking in pregnancy to less than 6% by 2020. I know the Department of Health is sympathetic to that aim and hope it will be included in the new tobacco control plan.

Tim Loughton (East Worthing and Shoreham) (Con): I congratulate my hon. Friend on securing a three hour and 53 minute debate on this important subject and thank him for all the work he does on baby loss. He may well address this issue later in his speech, but does he agree that the alarming figures for regional differentials also apply to stillbirth rates more generally? Another issue is cultural differences between different sections of our populations with very different outcomes. That, too, must be a priority for the Government, because wherever in the country someone is, surely they are entitled to the same level of support and the same health outcomes.

Will Quince: I thank my hon. Friend for that intervention. He, too, has done a huge amount of work in this area and is hugely supportive of the work of the all-party group on baby loss. He is quite right to highlight the regional variation that exists, and to which the Department is very much alive. I had not intended to focus on the specific demographics, in terms of race, but the figures do show that certain demographics have a higher propensity towards stillbirth. The honest answer is that we do not really know why, so there is a huge need for research in this area. I am not going to discuss that issue, but only because I want to focus specifically on smoking.

My hon. Friend is quite right about that particular demographic, and the reasons behind higher stillbirth and neonatal death rates may well be a public health issue. I hope that the Minister and the Department will look into that independently of this debate.

Secondly, communication to pregnant women must be sensitive and non-judgmental. Qualitative findings from the babyClear programme found that pregnant smokers found the interventions unsettling, but they were receptive to the messages if they were delivered sympathetically. To do that, healthcare professionals must feel able to have conversations about harm and have clear evidence-based resources and support for pregnant women.

Thirdly, the Government should ensure the implementation of guidance from the National Institute for Health and Care Excellence. NICE guidelines recommend that referral for help to stop smoking should be opt-out rather than opt-in. Research published by Nottingham University in April 2016 on opt-out and opt-in referral systems found that adding CO monitoring with opt-out referrals doubled the number of pregnant smokers setting quit dates and reporting smoking cessation.

Further, a recent evaluation of the babyClear programme in the north-east of England found that it delivered impressive results. BabyClear is an intervention implementing NICE guidance on reducing smoking in pregnancy. Let me give some background. BabyClear began in late 2012. Since then, smoking at the time of delivery has fallen by 4.0% in the north-east compared with 2.5% nationally. That equates to about 1,500 fewer women smoking during pregnancy in the north-east than in 2012. The cost of implementing the core babyClear package over five years is estimated at £30 per delivery.

Fourthly, we should embed smoking cessation across the maternity transformation plan. There are nine workstreams altogether and smoking cessation is central to achieving success in most of those. As an example, the workstream, “training the workforce”, should include training midwives on CO monitoring and referral, but there is a risk that smoking cessation is siloed into the workstream focused on improving prevention. It is vital that that does not happen.

Finally, the Nursing and Midwifery Council is updating its standards in relation to nurses and midwives. This training must be mandated and have smoking in pregnancy as a key part. These are all steps that can and should be taken by the Department of Health to help maintain the momentum on reducing smoking during pregnancy rates. However, there is one other suggestion that I would like the Minister to take away and discuss with his colleagues in other Departments. All alcohol bought in the UK carries a warning sign making it clear that pregnant women should not consume this product, yet only one packet of cigarettes in six carries a warning about the danger of smoking while pregnant. It is not unreasonable or unrealistic for all tobacco products to carry a similar warning to that seen on alcohol. I would be grateful to the Minister if he looked into the feasibility of introducing such a scheme. I understand that it falls under European law and European regulation, but that may, in the very near future, not be a problem.

This debate is absolutely not about criticising or demonising women and their partners who smoke during pregnancy. I fully appreciate that tobacco is highly addictive and that it is difficult to stop smoking. We also know that all parents want to give their baby
the best possible start in life. We want a message to go out loudly and clearly that no matter what stage a woman is in her pregnancy, it is never too late to stop smoking. Yes, that can be difficult, but smoking is much more harmful to a baby than any stress that quitting may bring. Most importantly, we and the Department of Health will give parents all the support and tools to help them to quit.

3.53 pm

Sir Kevin Barron (Rother Valley) (Lab): May I congratulate the hon. Member for Colchester (Will Quince) on securing the debate? As an officer of the all-party group on smoking and health, I must congratulate him on the length of time that he has for this debate. Never in my wildest dreams did I ever think that we would get more than a one-and-a-half hour debate in Westminster Hall for such a matter.

The hon. Gentleman rightly pointed out the dangers of smoking in pregnancy. I do not plan to fill up these three and a half hours—I can see some smiles of relief—but I will pick up one or two issues that he raised. The Minister knows that I and many other Members have been calling for the new tobacco control plan for quite a while, since the last one finished at the end of 2015. The word I would add to that, because things do move on, is “comprehensive”; it ought to be a comprehensive tobacco smoking control plan. There are areas where that could help very much indeed.

Smoking in pregnancy is a massive issue that is obviously caused by nicotine addiction. For many years, the only way that people could meet that addiction, other than with chewing gum and patches, was by using cigarettes. Hon. Members will know that Public Health England published a report on e-cigarettes in August 2015, saying that they were 95% safer than the tobacco in cigarettes as a means of taking in nicotine. It is pretty obvious to me that consumers are moving to e-cigarettes on a vast scale, and the Government are also moving towards e-cigarettes to look into how they can help in certain situations.

I recently tabled the following written question:

“To ask the Secretary of State for Health, what steps are being taken by (a) his Department, (b) the Medicines and Healthcare Products Regulatory Agency and (c) Public Health England to encourage research into the use of e-cigarettes.”

Although the Minister may not have direct responsibility for this, I would like to tell him that I am very pleased with the answer, which I received today and which says that his Department is “working closely” with all the organisations

“to encourage research into the use of electronic cigarettes…and monitor the emerging evidence. PHE’s next updated evidence report on e-cigarettes is expected to be published before the end of the 2017. In addition to the publication…PHE have partnered with Cancer Research UK and the UK Centre for Tobacco and Alcohol Studies to develop a forum that brings together policy makers, researchers, practitioners and the non-governmental organisation representatives to discuss the emerging evidence, identify research priorities and generate ideas for new research projects, thereby enhancing collaboration between forum participants.”

I am sorry for going on about that, but it is a comprehensive answer that talks about identifying research priorities. We could not have a better advocate for such a priority than the statistics on the effects of smoking tobacco in pregnancy read out by the hon. Member for Colchester.

The people involved, including PHE, which is doing a magnificent job, ought to be looking at whether smoking in pregnancy could be one area for comprehensive research. Perhaps we could replace the cigarette—a mechanism for satisfying nicotine addiction that we all know is very bad for us—and use something like e-cigarettes to satisfy the addiction in pregnant women without the risk to the individual woman and her child.

I congratulate the hon. Gentleman on bringing this up, and I congratulate the Under-Secretary of State for Health, the hon. Member for Oxford West and Abingdon (Nicola Blackwood), on the answer I received today. We should be ensuring that we look into these areas in some detail to ensure that we can avoid the awful statistics that the hon. Gentleman read out.

3.59 pm

Tim Loughton (East Worthing and Shoreham) (Con): I had not intended to speak in this debate—I just wanted to be part of it and perhaps to question the Minister—but you have tempted me, Mr Deputy Speaker. I, too, want to take up the remainder of the three hours and 50 minutes in making a few comments. I again congratulate my hon. Friend the Member for Colchester (Will Quince) on securing the debate.

The Government have made good progress on the smoking front, and that needs to be recognised, but 10.6% of people still smoke through pregnancy. That figure needs to be brought well down into single figures. My hon. Friend made a good point about the use of advertising messages with regard to alcohol. Of course, unlike alcohol, this issue affects only half the population. The graphic images on cigarette packets of diseased lungs, and those grisly television adverts with pus coming out of lungs and so on, really send home the message about the harm that any smoking can do. Making that clear to women who still take the risk of smoking during pregnancy would help to get the figure down further.

We still have a major problem in this country with high levels of baby loss through stillbirth as well as through the rather less quantifiable form of miscarriage, the true extent of which we do not really know. As I said earlier, it must be a priority for Government to work out why we have regional and cultural differences, and to extend and learn from best practice rather better than we do at the moment. Some of the pilots and experiments that have happened in Scotland are something for the rest of the country to look at and learn from.

Given the title of this debate, we could, strictly speaking, extend it well beyond just smoking, and I am going to take advantage of that. On drinking, there has been a very confused message for some time. I am an officer of the all-party foetal alcohol syndrome group. We produced a report that urged complete abstinence as the only safe way, and that must be the default position. For women who do choose to continue to drink in some form during pregnancy, there need to be very clear health messages, and perhaps lower-alcohol alternatives. If someone has to drink, there are ways of potentially doing less damage to their baby. The Government can be part of that through the differential pricing tax mechanism. We are rather bad at that in this area.
I remember going to Denmark some years ago and visiting a children’s home just outside Copenhagen that specialised in treating children who were the victims of foetal alcohol syndrome—particularly children of mothers from Greenland, where there is a particular problem with heavy drinking. Those children were born with all sorts of disabilities, some of which manifested themselves as the symptoms that we know of in ongoing conditions such as autism.

There may be an understating of the effects of foetal alcohol syndrome because it can appear somewhere on the autistic spectrum as well. We need to do more research into that. There is no more stark example than we see in Denmark of a direct correlation between excessive drinking and giving birth to a child who will bear the effects of that for his or her whole life, with the learning disabilities and other things that go with it. We have lessons to learn from that. We still need stronger messages to go out to women during pregnancy about the potential, and potentially lifelong, harm that can be done by inappropriate drinking.

Gavin Robinson (Belfast East) (DUP): Although a strong message is important, the delivery of that message is crucial. There is a good argument for saying that the shock-and-awe messaging used in advertisements about driver safety or alcohol, and on cigarette packets, does not have the impact that we believe it should. Many mothers might take cavalier decisions about themselves, as many of us do. I certainly do when it comes to food and its health benefits; I do not follow the guidance. Does the hon. Gentleman agree, however, that a mother would never want to damage the future prospects of her child? The sensitivity of the message, however strong it is, is the most important element.

Tim Loughton: The hon. Gentleman makes a fair point. We, as grown-ups, can make a conscious decision to be gluttonous or to over-imbibe. That does damage to our bodies and our bodies alone, although there may be a cost to the taxpayer through the national health service. If anyone should be more sensitive and sensible about the damage that could be done to another individual, it is a pregnant woman. A pregnant woman, or a woman considering pregnancy, should be more amenable to good health messages.

It is a question of horses for courses, and I take the point that the hon. Gentleman makes about shock-and-awe tactics. The AIDS adverts in the ’80s could be described as shock and awe, and they were exceedingly effective at the time. We still remember those tombstones. One can go too far, however; members of the public are smart, and they recognise over-emphasis for effect. It hits them in the face, and they say, “I do not need to take any notice of that.” We need smart messaging, which is credible and honed appropriately for its target audience.

That is why when we in the all-party group on foetal alcohol syndrome produced our report, we had a big debate about whether we should recommend complete abstinence or whether that was just not realistic for some people, who were still going to drink. I take the view that the default position must be that drinking harms a woman’s baby, but if someone absolutely has to drink, for whatever reason, there are less harmful—but always harmful—ways of doing so. We need to nuance that message appropriately for different audiences. Of course, different cultures have different attitudes to drinking, foods and so on.

I move on to a subject that is completely different, but still within the scope of this Adjournment debate: perinatal mental health. I declare an interest as the chair of the all-party group for the 1,001 critical days, and as the chairman of Parent Infant Partnership UK, a charity that is all about promoting good attachment among parents and their children in the period between conception and age two. One of the biggest, most powerful and most effective public health messages that we can give is that effecting a strong attachment with one’s child, right from the earliest days, will have lifelong benefits for that child. That includes the time that the child is in the womb. A mother who is happy, settled and in a good place is much more likely to pass on those positive messages to a child than a mother who is stressed and suffering from perinatal mental illness or various other pressures.

At least one in six women in this country will suffer some form of perinatal illness. We know from the science, which is producing considerable data, that a child who is not securely attached—preferably to both parents but certainly to the mother, to start with—is much less likely to thrive at school and to be settled and sociable, and more likely to fall into drink and drug problems and to have difficulties with housing and employment. The first 1,001 days are absolutely critical, and we should be doing more. It is a false economy not to do so, and not to invest money early on.

The Government have quite rightly flagged up the importance of mental health. The Prime Minister absolutely gets the importance of mental health, and particularly of perinatal mental health. The additional money allocated is good, but it is still not enough. The problem, as we all know, is that that money is not making it through to the sharp end, so opportunities are still being missed to identify women who have some form of mental health problem—typically depression around the time of pregnancy—signpost them to the appropriate services and deliver quality and appropriate services in a timely fashion. That is why the charity I chair, PIP UK, has seven PIPs around the country, operating out of children’s centres, to which women can be referred, often with their partners, to get the support and confidence they need to effect the strong bond and attachment with their child.

The Maternal Mental Health Alliance has costed the problem of not forming such bonds at £8.1 billion each and every year. I repeat that, each year, the cost of getting it wrong is over £8 billion. The cost of getting it right is substantially less, yet too many clinical commissioning groups around the country still do not even have a plan for delivering perinatal mental health for women where and when they actually need it. On top of that, in our report “Building Great Britons”, the all-party group calculated that the cost of child neglect is over £15 billion a year in this country. By not getting it right for really young children and for babies, we are therefore wasting £23 billion financially, but far more importantly we are not giving those children the very best start in life socially, which we could do with a bit more, smarter and better targeted up-front investment.
I reiterate to the Minister and his colleague, the Under-Secretary of State for Health, my hon. Friend the Member for Oxford West and Abingdon (Nicola Blackwood)—she very kindly saw a delegation from the all-party group on the 1,001 critical days recently—and sympathise and empathise with what they have done, because I think there could be a solution.

May I ask the Minister again whether there is any way that we can get this campaign going again? The issue has featured in one of our national soaps: an actress who went through it in real life reenacted it in “Coronation Street”. There has also been a lot about it in the press. I ask the Minister to ask his Department to look at this issue again to see whether something can be done, because I think there could be a solution.

Mr Speaker, I have more than abused my privilege in this three-hour and 50-minute debate, but these are issues on which there is a good deal of sympathy and empathy in the House. Yet again, we are greatly indebted to my hon. Friend the Member for Colchester for bringing them back to the House, where we have the power to make a difference to our future constituents’ lives.

4.15 pm

The Minister of State, Department of Health (Mr Philip Dunne): I congratulate my hon. Friend the Member for Colchester (Will Quince) on securing this debate on public health guidance and baby loss. I also congratulate you, Mr Speaker, on scheduling it on a day when the other business, inexplicably, was so curtailed, thereby enabling some very distinguished Members on both sides of the House who chair directly relevant all-party groups to make unusually—indeed, I would not say unprecedentedly, Mr Speaker, because you would be better placed than I to say whether it was unprecedented—long contributions in an Adjournment debate, and very welcome they were too.

We know from families who have experienced baby loss that the silence that often surrounds the loss can make the experience much harder. For that reason, I join the tributes from the right hon. Member for Rother Valley (Sir Kevin Barron) and my hon. Friend the Member for Colchester for the work that he does in leading the all-party parliamentary group on baby loss and for bringing the experiences that make the experience much harder. For that reason, I welcome they were too.

Before I address the specific points made by my hon. Friend the Member for Colchester—I counted six challenges on the remit of a debate. The Minister of State, Department of Health, my hon. Friend the Member for Colchester (Will Quince) on securing this debate on public health guidance and baby loss. I also congratulate you, Mr Speaker, on scheduling it on a day when the other business, inexplicably, was so curtailed, thereby enabling some very distinguished Members on both sides of the House who chair directly relevant all-party groups to make unusually—I would not say unprecedentedly, Mr Speaker, because you would be better placed than I to say whether it was unprecedented—long contributions in an Adjournment debate, and very welcome they were too.

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First, I will address the specific points made by my hon. Friend the Member for Colchester—I counted six challenges that he laid down in his speech, and I will try to address each of them—as I have the luxury of a little time, I will set the scene on the work the Government are undertaking to reduce adverse outcomes during pregnancy and the neonatal period.

My hon. Friend referred to the maternity transformation programme in England, which began a year ago. It provides an opportunity to shape services for the future. Improving women’s health requires a collaborative approach across the entire health system, including commissioners, primary care, maternity services, public health and local authorities, to meet the needs of women and their partners. The result of all that work is that England is a very safe country in which to have a baby. Sadly, a small number of babies are stillborn or die soon after birth but, according to the latest figures, stillbirths and neonatal deaths occur in 0.5% and 0.3% of births respectively.

We are absolutely committed to improving maternity care and recognise that every loss is a personal tragedy for the family concerned. As a result, it is our national ambition to halve the rate of stillbirths, neonatal deaths, maternal deaths and brain injuries that occur during or soon after birth by 50% by 2030. We are making
considerable progress. The other day, I had the privilege of attending the Royal College of Midwives awards ceremony—one of the more enjoyable parts of my role in the Department of Health—where I was able to confirm that since 2010, the proportion of stillbirths is down by 10%, the proportion of neonatal deaths by 14% and the proportion of maternal deaths by 20%. Our plan is having some effect, which is very pleasing, but there is always more that we can do.

To support the NHS in achieving this ambition, we have a national package of measures with funding attached, including: an £8 million maternity safety training fund to support maternity services in developing and maintaining high standards of leadership, teamwork, communication, clinical skills and a culture of safety; a media campaign, “Our Chance”, comprising 25 animations and videos targeted towards pregnant women and their families to raise awareness of the symptoms that can lead to stillbirth; and a £250,000 maternity safety innovation fund to support local maternity services to create and pilot new ideas.

The fund was allocated in the past couple of weeks. One project that secured funding will develop a one-stop multidisciplinary care clinic for women with diabetes, hypertension, morbid obesity and epilepsy. Another project aims to develop a pathway whereby all women with high carbon monoxide breath test results—this was referred to by my hon. Friend—are referred for serial ultrasound measurements to provide them with more information about the potential impact of smoking on the child they are carrying. We are also investing £500,000 to develop a new tool to enable maternity and neonatal services to systematically review and learn from every stillbirth and neonatal death in a standardised way.

The Government are seeking to put in place infrastructure to improve maternal health, but clearly young mothers, partners and families have a role to play too. The evidence shows that the national maternity ambition cannot be achieved through improvements to NHS maternity services alone and the public health contribution will be crucial. It is vital that women and their families are made aware of and understand the lifestyle risk factors that can impact on the outcomes for them and their babies, and the changes they can make to increase their likelihood of positive outcomes. Hon. Members referred to a number of them.

As soon as a lady knows she is pregnant, she should be encouraged to contact her maternity service for a full assessment of health, risk factors and choices, so that a personalised plan of care can be prepared. Women with complex social factors, in particular teenagers and those from disadvantaged groups, do not always access maternity services early or attend regularly for antenatal care, and poorer outcomes are reported for both mother and baby. Maternity services need to be proactive in engaging all women.

Early in pregnancy, a midwife will provide a woman with information to support a healthy pregnancy. This will include information about nutrition and diet, including supplements such as folic acid and vitamin D as well as lifestyle advice, central to which is smoking cessation—on which my hon. Friend focused his remarks—the risks of recreational drug misuse and alcohol consumption, which...
hon. Friend said, 5,000 miscarriages and 300 perinatal deaths every year across the UK. It also increases the risk of developing a number of respiratory conditions, attention and hyperactivity difficulties, learning difficulties, problems with the ear, nose and throat, obesity and diabetes. Pregnant women under 20 are six times more likely to smoke than those aged 35 or over. Specialist stop smoking support, while available to pregnant women, clearly needs to be targeted on those higher-risk groups. That provides much of the challenge that my hon. Friend set for us in his remarks.

We are looking to take considerable action to advance the cause of reducing smoking. My hon. Friend asked in particular when we intend to publish the next iteration of the tobacco control plan. He asked me to define a well-used parliamentary term—”shortly”. I regret to say that it is way beyond my pay grade to provide closer definitions of that term. There are others, including someone who recently arrived in the Chamber, who might have some influence on the speed with which plans emerge from the Government. I very much hope that we will be able to progress with the next iteration of the tobacco control plan in the next few months.

My hon. Friend referred to the babyClear programme, which is about informing pregnant women about the risks they run from continuing to smoke. It is an important programme that has been evaluated by Newcastle University, which published some findings last month. We think that this is closely aligned with the NICE guidance, which is appropriate. It builds on the point made by my hon. Friend and by the hon. Member for Belfast East (Gavin Robinson) about the sensitivity involved in giving advice to pregnant women. My hon. Friend the Member for East Worthing and Shoreham referred to the mental health challenges that pregnancy can cause for some women. I think there is a sensitivity involved in the delivery of hard-hitting messages to women who find it impossible to shake their addiction to smoking. We must be aware, in conveying the message that persisting in smoking during pregnancy may lead to long-lasting damage to the baby, that there may be mental health implications to which we need to be alert.

My hon. Friend the Member for Colchester mentioned the possibility of introducing an opt-out, rather than an opt-in, for carbon monoxide testing of women who present as pregnant to their maternity services. That is an interesting idea, and I am certainly willing to discuss it with NHS England and the Department. If it is possible for such a test to identify pregnant women who are smoking, it would be foolish of us not to introduce it.

My hon. Friend referred to the maternity transformation plan. I will write to him giving a specific response to his ideas and explaining how they might be used to embed smoking cessation in the nine elements of that plan. I cannot give him a similar reassurance about the training programmes for midwives, because they are determined independently by the Nursing & Midwifery Council and it is not for me to prescribe what should be involved in such training, but the debate will doubtless be heard by the midwife trainers.

My hon. Friend’s final request was for a warning on cigarette packets that would specifically alert people to the risks of smoking during pregnancy. Again, I am afraid that that is not in my gift, but it is a very interesting idea. As was pointed out by the right hon. Member for Rother Valley, there are already some stark and shocking images on cigarette packaging. We have just engaged in a major consultation that has led to the introduction of plain packaging. I suggest that my hon. Friend send his proposals to those who are responsible for monitoring the impact of plain packaging across Government.

I hope that I have addressed my hon. Friend’s points. Let me now respond to the requests from the right hon. Member for Rother Valley, who is the vice-chair of the all-party parliamentary group on smoking and health, in relation to e-cigarettes. He suggested that, as a research priority, we should ask Public Health England to consider whether they are helpful or unhelpful in encouraging pregnant women to stop smoking, and also whether the nicotine contained in them could lead to foetal damage in the future. I think that that is potentially an interesting subject for research, and I should be happy to pose the question to Public Health England.

I am pleased that my hon. Friend the Member for East Worthing and Shoreham was able to contribute to the debate, because he is very knowledgeable about these issues. He welcomed the progress that is being made in reducing smoking, and I am glad he recognised that. However, he focused many of his remarks on another aspect of public health guidance, in his capacity as chair of the all-party parliamentary group for foetal alcohol spectrum disorder.

Tim Loughton: I am not the chair. I am an officer.

Mr Dunne: I stand corrected.

Significant health messages are being sent about the consequences of continuing to drink while pregnant, and, again, progress is being made. I do not have the figures in front of me relating to the level of alcohol that pregnant women continue to consume, but the Government share my hon. Friend’s ambition. We must continue to bear down on alcohol consumption, because it has the potential to cause lifelong harm to babies.

My hon. Friend finished with a request that we consider once more the registration date for stillbirths, and his example of the twins falling either side of the 24-week definition puts the points very concisely and starkly. Again, I am not in a position to give him comfort on that issue here and now, but I will write to him, having consulted colleagues in the Department of Health on where we stand on it.

On that basis, I am very grateful to my hon. Friend the Member for Colchester for securing this debate and giving us the opportunity to spend almost an hour, I think, discussing this subject, which is unusual and welcome.

Question put and agreed to.

4.35 pm

House adjourned.
Ben Gummer: My hon. Friend has doctors in high places. All I would say to him is that specific inquiries about NHS digital services should be directed to the Health Secretary, but I shall ensure that my hon. Friend receives a proper reply from him. As for the Government’s general strategy, our purpose is to make sure that we have the most secure government information systems anywhere in the world. That is what lies behind the government transformation strategy and the Government’s cyber-strategy, too.

Graham Jones (Hyndburn) (Lab): Is the Government’s strategy on big data not the wrong way round? It is concentrating on big organisations having a central repository of data over people, whereas this should be about an empowering state where individuals have control over their own data—they should not have them held by big organisations.

Ben Gummer: The Government are seeking to achieve precisely the latter of those things, which is why gov.uk Verify has been built as it has. It is very important that citizens have complete faith in the data held by government and feel able to interrogate data in the way that is open to them. We are not quite where I would like to be on this yet, but as we design digital services in the future I want to arrive at precisely the point the hon. Gentleman indicates.

Bob Blackman (Harrow East) (Con): Will the Minister update the House on the action he is taking to ensure that businesses are aware of their responsibilities on cyber-security, particularly those businesses that trade with government, so that businesses are safe and government is made safe?

Ben Gummer: I am grateful to my hon. Friend for raising this important matter. I direct businesses to look at the cyber essentials pack on the National Cyber Security Centre website, which details the essentials of what businesses can do to protect themselves. The NCSC’s purpose is to ensure that businesses that work with government adhere to the same high standards of cyber-security that the Government expect of themselves.

Domestic Abuse Victims: Voting

2. Karl McCartney (Lincoln) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote.

5. Nusrat Ghani (Wealden) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote.

6. James Berry (Kingston and Surbiton) (Con): What steps he is taking to help victims of domestic abuse exercise their right to vote.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): I published a policy statement on 3 March proposing reforms to anonymous registration and seeking feedback from interested parties by 26 May. I want to reflect the experiences of domestic abuse survivors so that they can more easily exercise their right to vote. This will help to ensure that we have a democracy that works for everyone.
Karl McCartney: I thank my hon. Friend for that answer and welcome any moves towards making it easier for both men and women who have suffered domestic abuse to register to vote. Will he outline further what changes he is making, and confirm that the names and addresses of those men and women who are registering anonymously will not be on the electoral register?

Chris Skidmore: I can confirm to my hon. Friend that names and addresses do not appear on the electoral register as a result of the application to register anonymously. The Government are proposing to make it easier for an applicant to demonstrate that their safety is at risk by expanding the type of documentary evidence required and the people who can attest to this, and as part of the consultation process we are looking at every point of contact that the survivors of domestic abuse come across to make sure that they exercise their right to vote.

Nusrat Ghani: I warmly welcome the Minister’s efforts to make it easier for victims of domestic abuse to register to vote, and to have the all-important right to have their say and be heard, which has been raised in my surgeries by Wealden constituents who have survived domestic abuse. One part of the Government’s plan is to increase the number of attestors by lowering the seniority required of them in the police and social services, and possibly by expanding the number of professions they come from. Will training or guidelines be provided to help the new attestors when they are called on to adjudicate in a specific case?

Chris Skidmore: The Cabinet Office will be working with the Electoral Commission and representative bodies to provide the relevant guidance that will be required.

James Berry: I commend the Government on the work they have done with Women’s Aid and other organisations. Will my hon. Friend assure me that this work will continue to ensure that the victims of all types of domestic abuse are heard at the ballot box?

Chris Skidmore: I have worked closely on this issue with domestic abuse charities over the past six months, including Women’s Aid, to explore what can be done to improve the anonymous registration process. I look forward to continuing this work with Women’s Aid and other domestic abuse charities.

Thangam Debbonaire (Bristol West) (Lab): For 26 years before I was a Member of Parliament, I worked in the field of domestic abuse. Will the Minister make sure that he considers the extent to which domestic abuse perpetrators will make efforts to track down their victims, often for many months and years after the relationship has ended?

Chris Skidmore: I thank the hon. Lady for her contribution to the field of domestic violence work. She is absolutely right that someone is a survivor of domestic abuse not just for two or five years, but for the rest of their life. When we give people the right to vote, we must ensure that they and their names and addresses are protected. We will carry forward that work as part of the consultation process, and given her expertise, I welcome any contribution that she would like to make.

Nick Smith (Blaenau Gwent) (Lab): It is great that the Government are showing bureaucratic flexibility to help domestic abuse victims to vote, but such flexibility should be put into all the Government’s voter registration efforts. Will they build “register to vote” links into all their online service application pages?

Chris Skidmore: During the past couple of years, we have introduced the ability to register to vote online. It has been highly successful, with 24 million people taking the opportunity to register to vote online. As part of our democratic engagement strategy, which I will publish in the summer, I am keen to look at digital democracy and where it can work, and to see what we can do with other Departments to ensure that we have such points of contact and that we base democratic registration around individual users. I will be taking forward exactly what the hon. Gentleman mentioned.

Mr Gregory Campbell (East Londonderry) (DUP): Will the Minister ensure that the utmost application of secrecy will be adhered to for victims of domestic abuse who are severely traumatised and have found it difficult to apply for either postal or proxy votes.

Chris Skidmore: The hon. Gentleman is absolutely right. We need to ensure that we learn from the experience of domestic abuse survivors. We must look at that particular journey and ensure that the registration process, when we have it, works for women who need extra protection. We must also look at refuge managers to ensure that we provide the support that they will need.

Jon Trickett (Hemsworth) (Lab): It is obviously welcome that the Government are seeking to protect the voting rights of domestic violence survivors by making anonymity easier—by the way, the announcement of a one-off cash injection for specialist refuges is also welcome, although much more is needed. However, people cannot easily vote if they have no fixed abode. The truth is that Women’s Aid estimates that one in six of all specialist refuges have closed since 2010, and, tragically, over 150 women plus 100 children per day are unable to find a specialist refuge. Will the Minister ensure that the inter-ministerial group now addresses the twin central questions: providing sustainable funding for refuges and ensuring comprehensive refuge provision in every part of the country?

Chris Skidmore: The hon. Gentleman is right to say that we have increased funding for women’s refuges. The Prime Minister has set out very clearly that she wishes to make domestic violence one of her personal priorities, and a review is ongoing. When it comes to registration, let me be clear: this issue was raised with me, through Women’s Aid, by a lady called Mehala Osborne. She is a survivor of domestic abuse, and she has fought bravely by putting her name out in the public domain to campaign for other women. There are potentially 12,000 women who, by virtue of their circumstances, cannot take the step of registering to vote, and we are determined to give them their voice so that they are heard.

Voter Registration

3. Owen Thompson (Midlothian) (SNP): If he will make it his policy to include in national insurance notification letters to 15 and 16-year-olds information on being able to register to vote from the age of 16. [909381]
4. Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): What assessment he has made of the potential merits of promoting voter registration in national insurance notification letters.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): Although this matter falls within the responsibility of Her Majesty’s Revenue and Customs, I am pleased to confirm that the Cabinet Office and HMRC officials are working together to identify how best to promote electoral registration further in relation to national insurance numbers, including notification letters.

Owen Thompson: Clearly, any steps to improve voter registration have to be welcomed, but does the Minister agree that a far more efficient and cost-effective way to do so would be simply to introduce a system of automatic voter registration?

Chris Skidmore: The Government have been clear in their determination to ensure that we have individual electoral registration. Voting is not just a right; it is a responsibility. I am delighted that the Electoral Commission said in a report published last year that the number of 16-year-olds registering to vote increased by 17.7%.

Mr Speaker: Mrs Sharon Hodgson. Not here.

Tommy Sheppard (Edinburgh East) (SNP): The national insurance registration process is one way to increase electoral registration and therefore democratic participation, but there are others, including education, auto-enrolment—as my hon. Friend the Member for Midlothian (Owen Thompson) suggested—and, of course, online voting. When previously I pressed the Cabinet Office on this matter, it said there would be a plan in the spring to widen democratic participation. Spring is here. Where is the plan?

Chris Skidmore: Indeed, spring has sprung, and my commitment to ensuring that we have a democratic engagement plan is still maintained and in place. We will publish that plan shortly, in due course. We are committed to ensuring that we have a democracy that works for everyone, and that includes young people as well.

Cat Smith (Lancaster and Fleetwood) (Lab): We welcome the Government’s commitment to look at promoting voter registration on national insurance letters. We know how important it is to make sure that young people and students are registered to vote—they are often the people missing from the electoral roll. Will the Government commit to supporting the amendment from the other place to the Higher Education and Research Bill? It would allow universities to auto-enrol students on campuses.

Chris Skidmore: I met Baroness Royall yesterday to discuss her amendment. I have been working over several months with universities, the Cabinet Office funded the University of Sheffield pilot that looked at this enrolment process with £10,000, and we are looking at other universities that are beginning to introduce it. It is right that we have a democracy that works for everyone and that we make it easier for electoral registration staff and universities to work together. We are determined to look closely at this process.

Government Efficiency Savings

7. Geoffrey Clifton-Brown (The Cotswolds) (Con): What steps he is taking to support Government Departments in delivering efficiency savings.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The Government are conducting an efficiency review to deliver savings and embed an efficiency culture into government. The Chief Secretary and I are leading the review together. Cabinet Office functions provide support, expertise and assurance, helping Departments to work together to cut waste and inefficiency.

Geoffrey Clifton-Brown: What progress is being made with the single departmental delivery plans across every Government Department? How will they align cost savings and Government policy initiatives more closely to deliver our manifesto?

Ben Gummer: The House, especially those interested in plans, will be pleased to know that this is the first time in the history of Government plans that we have done a second iteration of a plan—that is an exciting point. We are aligning the plans with the efficiency review, which means that, amazingly, we are going to plan government with money at the same time.

Chris Evans (Islwyn) (Lab/Co-op): The electrification of the railway from Paddington to Swansea has an overspend of £1.2 billion. The Minister knows that it is not an isolated case, with a number of infrastructure projects overspending. What is the Department doing to ensure, before the Government sign contracts, that the targets are not over-optimistic?

Ben Gummer: The hon. Gentleman makes a serious point. The Infrastructure and Projects Authority was set up to assess infrastructure projects rigorously, which is why we have been able to reduce the number of overspends he correctly identifies. The complex transactions unit in my Department also assesses transactions before they happen to make sure that we are protecting the Government. I hope the big projects that are coming down the line are going to be framed even better than others have been in the past few years.

Government Transparency

8. David Mackintosh (Northampton South) (Con): What steps his Department is taking to make government more transparent.

The Minister for the Cabinet Office and Paymaster General (Ben Gummer): The UK is recognised as a world leader in transparency, and the Government are committed to being the most transparent in the world. We have published an unprecedented amount of data—more than 35,000 datasets, including data about the workings of government.

David Mackintosh: Will my right hon. Friend outline how the Government are being informed by international best practice to meet their manifesto commitment to be the most transparent Government in the world?
Ben Gummer: We must learn from each other, which is why we are members of the Open Government Partnership, which this country helped to set up. I have been to the OGP conference to learn from others, and we will continue to learn in that way, including from the OECD, the G20 and the International Aid Transparency Initiative.

Melanie Onn (Great Grimsby) (Lab): Does the Minister believe that transparency should begin at home? If he does, can he please explain where the response is to my letter of 19 December, which is addressed to his Department and to the director-general of his Department’s propriety and ethics team, because I have yet to receive it?

Ben Gummer: I profoundly apologise to the hon. Lady if we have not responded in time. It is very important to me that we respond courteously and quickly to Members, and I shall chase up the matter immediately and make sure that she gets a proper response.

Wendy Morton (Aldridge-Brownhills) (Con): I welcome the Government’s steps to increase transparency and look forward to the final stages of my own private Member’s Bill, which aims to extend public access to local audit documents in local authorities. Does my right hon. Friend agree that increasing transparency at all levels of government—local and national—is a crucial step forward towards increasing trust?

Ben Gummer: It is worth remembering that it was Margaret Thatcher who made it possible for local councils to conduct their hearings in public, which is something that we now take for granted. That is why we need to continue this if we are to reinforce the relationship between citizens and the public bodies that serve them.

Alan Brown (Kilmarnock and Loudoun) (SNP): I asked the Secretary of State for Scotland how many meetings he has had with the Chancellor of the Exchequer to discuss the Ayrshire growth deal. His answer was that he has had lots of meetings in general, but that the details of ministerial discussions are not routinely disclosed. Does the Minister agree that the lack of transparency in his answer is a disgrace?

Ben Gummer: It sounds entirely transparent to me. The Secretary of State is on the Bench. He has heard the question and no doubt he will want to be caught afterwards to discuss it further. I know that he has almost daily discussions with the Chancellor about the interests of Scotland, which is why he was able to secure an additional £350 million for Scotland in the Budget. That shows the advantages of being in this Union of the United Kingdom.

Electoral Registration: Funding

9. Catherine McKinnell (Newcastle upon Tyne North) (Lab): What is the Government’s policy on the funding of electoral registration services?

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government have committed to fund local authorities to cover the additional costs of individual electoral registration (IER). In 2016-17, those costs came to almost £21 million, and a further £49.5 million is committed to the end of this Parliament. In particular, Newcastle City Council received £145,000 for 2016-17 to fund its delivery of IER and the register.

Voter Registration: Proof of Identity

10. Julie Elliott (Sunderland Central) (Lab): What assessment has the Minister made of the potential merits of allowing alternative forms of proof of identity for voter registration?

Chris Skidmore: The Government have committed to fund local authorities to cover the additional costs of IER. In 2016-17, those costs came to nearly £21 million, and a further £49.5 million is committed to the end of this Parliament. In particular, Newcastle City Council received £145,000 for 2016-17 to fund its delivery of IER and the register.

Topical Questions

T1. Gordon Marsden (Blackpool South) (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 the centre of government. The Department is responsible for the constitution, for supporting the design and delivery of Government policy and for helping government to deliver the finest public services through more efficient working and attracting and developing the finest public servants.
Gordon Marsden: The House of Lords has amended the Higher Education and Research Bill to ensure that HE institutions give their students the option to go on the electoral register. What will the Minister do to assist that process as statistics suggest that only 13% of students are registered at present? It would save both them and councils money.

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): As I stated in an earlier answer, I met Baroness Royall to discuss her amendment. I am committed to ensuring that more students are able to register easily, to saving money for electoral registration officers.

Baroness Royall to discuss her amendment. I am committed to saving money for electoral registration officers.

Andrew Stephenson: [909395] The Cabinet Office has set up a centre of expertise that is working with public bodies to understand the overall problem, agree and monitor aspirations for a reduction of fraud, and put in place standards for organisations. As a result of that work, we had the benefit of savings of £733 million for 2015-16.

Chris Skidmore: The Cabinet Office has set up a centre of expertise that is working with public bodies to understand the overall problem, agree and monitor aspirations for a reduction of fraud, and put in place standards for organisations. As a result of that work, we had the benefit of savings of £733 million for 2015-16.

Andrew Gwynne (Denton and Reddish) (Lab): The ministerial code clearly states that former Ministers require advice from the Advisory Committee on Business Appointments prior to announcing any new business appointments. ACObA is unable to report on its advice retrospectively after a new post has been made public. Can the Minister explain why he gave different advice to the House during his response to the urgent question on Monday? Was it just a mistake, or have the rules conveniently been changed in the space of a week?

Ben Gummer: The hon. Gentleman has made his point very clear. ACObA is coming to its determination and it will consider all the evidence in the round. It is important that it does so without my prejudicing its decision by passing comment.

Mr Speaker: Order. There is far too much noise. The voice of Corby must be heard. I call Tom Pursglove.

T3. [909396] Nick Smith (Blaenau Gwent) (Lab): What is the Minister’s assessment of the results of the British attitudes survey, which shows that only one in four people trust the Government’s use of statistics?

Ben Gummer: I am as concerned as the hon. Gentleman will be. That is why we need to make sure that the independence of our statistics machine, to which other countries look for advice, is shown to the public to be the best in the world. That is what it is.

T7. [909400] Seema Kennedy (South Ribble) (Con): Will my right hon. Friend update the House on the progress made on the race disparity audit?

Ben Gummer: We have made considerable progress. According to our original timetable, we will be able to release the results of the first part later this year. That will be a moment of reckoning for this country, as we face up to the serious challenges still ahead of us in making sure that everyone has an equal opportunity, no matter what their colour or background.

T4. [909397] Alan Brown (Kilmarnock and Loudoun) (SNP): Some £200,000 of election spending misreported or omitted from returns; an unwillingness to co-operate with the Electoral Commission; a £70,000 fine that the Tories can just shrug off—because of their wealthy donors: does the Minister agree that there needs to be a greater punishment for political parties that break the election spending rules?

Chris Skidmore: It is clear that on that issue the Electoral Commission has taken action against parties across the political divide. It is right, going forward, that we look at incremental ways in which we can reform party funding, but our elections are the most transparent in our democracy. They ensure the publication of spending and it is right that that should take place.

Mr Speaker: Order. So must the voice of Middlesbrough South and East Cleveland.

T8. [909401] Tom Pursglove (Corby) (Con): What steps is the Minister’s Department taking to maximise opportunities for UK industry through cross-Government procurement? Does he have any early sense of how the new procurement guidelines are bedding down?

Ben Gummer: My hon. Friend is right to point out that it was this Government who introduced new guidance to make sure that we could support the UK steel industry wherever possible. That has been well received by the industry, and I hope to be able to write to my hon. Friend quite shortly with the results of where we have got so far.

Mr Speaker: Order. So must the voice of Middlesbrough South and East Cleveland.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Will the Minister for Digital and Culture recuse himself from decisions on Government media policy, given his close relationship to the new editor of the London Evening Standard?
Ben Gummer: My right hon. Friend the Minister is a decent and honourable man, and he will make his own decision about his ministerial responsibilities. It is wrong to impugn his motives in the House, if I may say so.

Andrew Bingham (High Peak) (Con): Does the Minister intend to expand the One Public Estate initiative? It not only rationalises our public buildings for financial reasons, but gives us the opportunity to create better and more streamlined services for our residents.

Ben Gummer: My hon. Friend has it in one: not only does this initiative allow us to save costs so that we can direct money to the frontline, but it means that public services are far simpler for our citizens to deal with, because they are located in one place.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [909402] John Mann (Bassetlaw) (Lab): If she will list her official engagements for Wednesday 22 March.

The Prime Minister (Mrs Theresa May): I would like to express my condolences to the family and colleagues of the former Deputy First Minister of Northern Ireland, Martin McGuinness. Of course, we do not condone or justify the path he took in the earlier part of his life, and we should never forget that, or the victims of terrorism. However, as my noble Friend Lord Trimble set out yesterday, he played an indispensable role in bringing the republican movement away from violence to peaceful and democratic means and to building a better Northern Ireland.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

John Mann: The Prime Minister says that there is more money for the national health service, more nurses and more doctors, yet Bassetlaw breastcare unit has been cut back and Bassetlaw children’s ward has been closed overnight. Something, clearly, does not add up. Therefore, the mothers of the most seriously ill children, who use the children’s ward the most frequently, and I offer to work with the Prime Minister to solve this problem. Is her door at No. 10 open to us?

The Prime Minister: If we look at what has happened in the hon. Gentleman’s area, we see that his NHS Bassetlaw clinical commissioning group is receiving a cash increase, and that the Doncaster and Bassetlaw Hospitals NHS Foundation Trust has 80 more doctors and nearly 30 more nurses. He talks of listening to the voice of local people in relation to health services in the local area, but that is exactly what the sustainability and transformation plans are about—hearing from local people and local clinicians, and putting together the health provisions that ensure they meet local needs.

Q2. [909403] Lucy Allan (Telford) (Con): Telford is a story of transformation and progress. From the ironmasters of the first industrial revolution through to a new revolution in high-tech manufacturing at Telford’s T54 today, it has helped to build Britain. As the Government deliver on the democratic will of the British people and trigger article 50, will my right hon. Friend tell us how Telford will prosper from Brexit and from her plan for Britain?

The Prime Minister: As I have said before, the referendum result was not just about membership of the EU; it was a vote to change the way that this country works, and who it works for, forever, to make Britain a country that works for everyone, not just the privileged few. That is why the plan for Britain is a plan to get the right deal for Britain abroad, but also to build a stronger, fairer Britain for ordinary working families here at home, like those in Telford. I am pleased that we have already provided £17 million of funding to The Marches local enterprise partnership to improve local infrastructure in Telford. This Government are putting those resources in, and our plan for Britain will deliver that stronger, fairer economy and a more united and more outward-looking country than ever before.

Jeremy Corbyn (Islington North) (Lab): I start by echoing the words of the Prime Minister concerning Martin McGuinness, the former Deputy First Minister of Northern Ireland. He died this week, and our thoughts go to his family, his wife Bernie and the wider community. Martin played an immeasurable role in bringing about peace in Northern Ireland, and it is that peace that we all want to see endure for all time for all people in Northern Ireland.

This Government are cutting the schools budget by 6.5% by 2020, and today we learn that the proposed national funding formula will leave 1,000 schools across England facing additional cuts of a further 7% beyond 2020. Can the Prime Minister explain to parents why funding equates to the loss of two teachers across all sizes, a shorter school day, or unqualified teachers? Which is it?

The Prime Minister: This Government are committed to ensuring that all our children get the education that is right for them and that all our children have a good school place. That is what the Government’s plans for education will provide. That is building on a fine record of the past six and a half—nearly seven—years of Conservatives in government, when we have seen 1.8 million more children in good or outstanding schools. We have protected the schools budget. The national funding formula is under consultation, and obviously there will be a number of views. The consultation closes today and the Department for Education will respond to it in due course.

Jeremy Corbyn: The manifesto on which the Prime Minister fought the last election promised: “Under a future Conservative Government, the amount of money following your child into school will be protected.”

No wonder even the editor of the London Evening Standard is up in arms about this. The cut to school funding equates to the loss of two teachers across all primary schools and six teachers across all secondary schools. So is the Prime Minister advocating larger class sizes, a shorter school day, or unqualified teachers? Which is it?

The Prime Minister: We have, as I said, protected the schools budget. We now see more teachers in our schools and more teachers with first-class degrees in our schools.
As I say, we see 1.8 million more children in good or outstanding schools. That is a result of this Government’s policies of diversity in education: free schools, academies, comprehensives, faith schools, university schools, grammar schools. We believe in diversity in education and choice for parents; the right hon. Gentleman believes in a one-size-fits-all, take-it-or-leave-it model.

Jeremy Corbyn: The Prime Minister was clearly elected on a pledge not to cut school funding, yet that is exactly what is happening. Maybe she could listen to headteachers in West Sussex who say they believe that savings will come from “staffing reductions, further increased class sizes, withdrawal of counselling and pastoral services, modified school hours, reduction in books, IT and equipment.”

I have a heartfelt letter from a primary school teacher by the name of Eileen. Eileen is one of our many hard-working teachers who cares for her kids, and she wrote to me to say: “Teachers are purchasing items such as pens, pencils, glue sticks and paper out of their own pockets. Fundraising events have quadrupled, as funds are so low that parents are having to make donations to purchase books! This is disgraceful.” Does the Prime Minister agree with Eileen?

The Prime Minister: We are seeing record levels of funding going into our schools. We have protected the schools budget; we have protected the pupil premium. But what matters for parents is the quality of education—

Hon. Members: What about Eileen?

Mr Speaker: Order. People should not keep yelling out, “What about Eileen?” The Prime Minister is giving her response to the Leader of the Opposition, including the references to Eileen.

The Prime Minister: What matters for all of us who are concerned about education in this country is that we ensure that the quality of education that is provided for our children enables them to get on in life and have a better future. That is what this Government are about. It is about ensuring that in this country you get on on in life and have a better future. That is what this Government are about. It is about ensuring that every child—[Interruption]—every child across this country has the opportunity of a good school place. That is what we have been delivering for the past seven years, and it is what we will deliver into the future—and every single policy that has delivered better education for children has been opposed by the right hon. Gentleman.

Jeremy Corbyn: Maybe the Prime Minister could have a word with her friend the hon. Member for Cotswolds (Geoffrey Clifton-Brown), who said this week: “Under this new formula, all my large primaries and all of my secondaries will actually see a cash cut in their budgets.”

In the Budget, the Government found no more money for the schools budget, but they did find £320 million for the Prime Minister’s special grammar schools vanity project. There is no money for Eileen’s school, but £320 million for divisive grammar schools. What kind of priority is that?

The Prime Minister: First of all, what we have done in relation to the funding formula is to address an issue that Labour ignored for all its time in government. Across this House there has generally been, for many years, an accepted view that the current formula for school funding is not fair. I was saying this—I was calling for a better funding formula—more than 15 years ago when I was the shadow Education Secretary. We have put forward a proposal, and we are consulting on it. The consultation closes today, and we will respond to that consultation.

The right hon. Gentleman talks about the sort of system we want in schools. Yes, we want diversity, and we want different sorts of schools. We have put money into new school places. But I say to him that his shadow Home Secretary sent her child to a private school; his shadow Attorney General sent her child to a private school; he sent his child to a grammar school; and he went to a grammar school himself. Typical Labour—take the advantage and pull up the ladder behind you.

Hon. Members: More!

Jeremy Corbyn: I want a decent, fair opportunity for every child in every school. I want a staircase for all, not a ladder for the few. The Prime Minister has not been very good at convincing the former Secretary of State for Education, the right hon. Member for Loughborough (Nicky Morgan), who wrote last week: “All the evidence is clear that grammar schools damage social mobility.” What evidence has the Prime Minister got that the former Secretary of State is wrong in that?

The Prime Minister: The evidence is that for the poorest children, the attainment gap in a selective school is virtually zero. That tells us the quality of the education that they are getting. What I want is a diverse education system where there are genuine opportunities for all to have the education that is right for them. That is why in the Budget, as well as dealing with the issue of new school places, we have put extra money into technical education for young people for whom technical education is right. The right hon. Gentleman says that he wants opportunities for all children, and he says that he wants good school places for all children. He should jolly well support the policies that we are putting forward.

Jeremy Corbyn: It is not just the former Education Secretary; the Chair of the Education Committee also says that grammar schools “do little to help social mobility” and are an “unnecessary distraction”. The Prime Minister and her Government are betraying a generation of young people by cutting the funding for every child. Children will have fewer teachers, larger classes and fewer subjects to choose from, and all the Prime Minister can do is to focus on her grammar school vanity project, which can only ever benefit a few children. Is the Prime Minister content for the generation in our schools today to see their schools decline, their subject choices diminish and their life chances held back by decisions of her Government?

The Prime Minister: Protected school funding, more teachers in our schools, more teachers with first-class degrees in our schools, more children in good or outstanding schools—it is not a vanity project to want every child in this country to have a good school place. That is how they will get on in life, and that is what this party will deliver. But this shows that there is a difference between
the right hon. Gentleman and me. Earlier this week, he recorded a video calling for unity. He called for Labour to “think of our people first. Think of our movement first. Think of the party first.”

That is the difference between him and me: Labour puts the party first; we put the country first.

Q4. [909405] Charlie Elphicke (Dover) (Con): For centuries, Prime Ministers have taken a close personal interest in the effectiveness of Dover and the channel ports as gateways to and guardians of the kingdom, so may I ask my right hon. Friend to take a close interest in making sure that Kent ports are ready for Brexit on day one, and not just in terms of customs, but with the M20 lorry park on schedule, and the A2 upgrade and the lower Thames crossing being taken forward? My right hon. Friend, will you join me and the Prime Minister in wishing Dame Vera Lynn a happy 100th birthday this week and thanking her for her service to the white cliffs and to the nation?

Mr Speaker: I am extremely grateful to the hon. Gentleman, but I did do that a couple of days ago.

The Prime Minister: I did not have that opportunity a couple of days ago, so I am happy to join my hon. Friend in wishing Dame Vera Lynn a very happy 100th birthday this week. It is right that we recognise the service that she gave to this country, as many others did.

My hon. Friend raises the important issue of transport links in Kent, which I have discussed with him and other Kent MPs on a number of occasions. In addition to the M20 lorry park, I assure him that the Department for Transport is fully committed to delivering a long-term solution as quickly as possible. It is currently considering the findings of the lower Thames crossing consultation, and Highways England will be doing more detailed work on the A2. The Home Office will be looking very closely at what measures need to be in place for Brexit for those coming across the border into Dover.

Angus Robertson (Moray) (SNP): May I begin by extending condolences, as the Prime Minister and the leader of the Labour party have done, to the family, friends and colleagues of the former Deputy First Minister of Northern Ireland, Martin McGuinness? We pay tribute to his contribution towards peace, while never forgetting the terrible human price during the troubles.

Last year, the Prime Minister promised that she would secure a UK-wide agreement between the Governments of Scotland, Wales and Northern Ireland, and her Government, before triggering article 50 on Brexit. Since then she has delayed, she has blocked, she has been intransigent and she has lectured—surprise, surprise; she has no agreement. There is no agreement. Will those be her negotiating tactics with the European Union?

The Prime Minister: Over the past few months, every effort has been put in, at various ministerial and official levels, to work with all the devolved Administrations to identify their particular concerns and interests, and to ensure that we are able to take those into account throughout the negotiating process. Discussions will continue in the future. What we want to ensure is that we get the best possible deal when we leave the European Union for all the people of the United Kingdom, including the people of Scotland, because at heart we are one people.

Angus Robertson: Viewers will note that the Prime Minister totally glossed over the fact that she has reached no agreement with the devolved Governments of the United Kingdom. The Prime Minister says that she wants article 50 negotiations to lead to a deal and people to know the outcome of that deal before it is approved. Will she confirm that in the period for an agreement, the House of Commons will have a choice, the House of Lords will have a choice, the European Parliament will have a choice and 27 member states of the European Union will have a choice? If it is right for all of them to have a choice about Scotland’s future, why should the people of Scotland not have a choice about their own future?

The Prime Minister: This is not a question about whether the people of Scotland should have a choice about the future—[HON. MEMBERS: “Yes, it is.”] The people of Scotland exercised their right to self-determination and voted in 2014 to remain a part of the United Kingdom. The people of the United Kingdom voted last year to leave the European Union. We are respecting both those votes; the right hon. Gentleman is respecting neither of them.

Q6. [909407] Sir Julian Brazier (Canterbury) (Con): With her strong commitment to defence, does my right hon. Friend agree that we must stem the outflow from our shrinking forces? I urge her to reconsider the policy that she inherited of encouraging service families to get on to the housing ladder on the one hand, while on the other hand increasingly focusing the Army in areas where there is no affordable housing, and then applying the new landlord tax arrangements to buy for let.

The Prime Minister: I recognise the passion with which my hon. Friend raises issues about the armed forces. He raises an important point, but I can assure him that we are fully committed to our goal of an 82,000-strong Army by 2020. On his specific point about service accommodation, we want to ensure that people have a greater choice in where they live by using private accommodation and meeting their aspirations for home ownership. That is why we set up the £200 million forces Help to Buy scheme and continue to support subsidised housing for service personnel—the pot of money will not be cut. The Ministry of Defence is working with the Treasury on the issues my hon. Friend raises, and I am sure that they will keep him updated.

Q3. [909404] Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The United Kingdom of Great Britain and Northern Ireland will be 95 years old in December. In that UK, Scottish economic growth is a quarter of that of independent Iceland and a third of that of independent Ireland. Given that the Prime Minister supports Irish independence and the benefits that that has brought to Ireland’s economy and population, why does she oppose it for Scotland? Will she show Scotland the respect that the EU showed the UK in regard to a referendum?
The Prime Minister: If the hon. Gentleman is looking at issues around economic growth—he cited figures on growth—he should pay attention to the most important market for Scotland: the market of the United Kingdom. That is why Scotland should remain part of it.

Q9. [909410] Simon Hoare (North Dorset) (Con): Last week, with cross-party support, my hon. Friend the Member for Chippenham (Michelle Donelan) and I set up the all-party group on Lyme disease. This debilitating disease is a growing problem across the country, including in my constituency, yet awareness of it among the public and GPs is incredibly low. Will my right hon. Friend ensure that her Government do all they can to raise the profile of the disease and to resolve the problems surrounding both diagnosis and treatment?

The Prime Minister: My hon. Friend raises an important point, and I commend him and my hon. Friend the Member for Chippenham (Michelle Donelan) for the attention that the House is now giving to the issue. He is right that we need to raise awareness, but we also need to ensure that early diagnosis and treatment is available, because that is the best way of limiting the complications from this particular disease. The Department of Health is already taking steps. Clinical guidelines are being updated and enhanced by the National Institute for Health and Care Excellence, and NHS England has undertaken robust reviews on diagnosis, testing and treatment. However, there is more that we can do, so Public Health England is holding regular medical training days and conducting outreach across the medical community to raise awareness and ensure that early diagnosis is in place.

Q5. [909406] Alex Cunningham (Stockton North) (Lab): During yesterday’s Adjournment debate, the Minister of State, Department of Health, the hon. Member for Ludlow (Mr Dunne), said that the issue in hand was above his pay grade. On the basis that the Prime Minister has the top pay grade, can she give us a clue about when we will see the long-awaited and very late tobacco control plan?

The Prime Minister: I can assure the hon. Gentleman that we are working on the tobacco control plan and that one will be issued in due course.

Q11. [909412] John Stevenson (Carlisle) (Con): A substantial number of Ministers took the opportunity to visit Cumbria recently and saw for themselves not only its beauty, but its industrial strengths and potential. If the Government’s industrial strategy is to succeed, places such as Cumbria need to be part of that success. Will the Prime Minister ensure that Cumbria gets the infrastructure investment that it requires to ensure that it really does fulfil its potential?

The Prime Minister: My ministerial colleagues and I were delighted to be able to take the opportunity to visit the beautiful county of Cumbria, and we are even happier now that Cumbria has another strong voice in the form of my hon. Friend the Member for Copeland (Trudy Harrison), a Conservative MP.

My hon. Friend the Member for Carlisle (John Stevenson) is right: Cumbria and the north-west have huge industrial potential. That is why we are getting on with delivering our investment plans throughout the country, including the north-west. Let me give the House some figures: £556 million has been allocated from the local growth fund to boost local productivity; and the north is getting £147 million to tackle congestion and improve local transport. However, it is our plan for Britain that will deliver that stronger, fairer economy and those higher-paid, higher-skilled jobs for people throughout the country.

Q7. [909408] Lilian Greenwood (Nottingham South) (Lab): The Prime Minister is in denial. Today’s report from the Institute for Fiscal Studies confirms that schools are already facing “the largest cut in school spending per pupil over a 4 year period since at least the early 1980s”, and that, as a result of her new national formula, funding is being diverted from schools with very high levels of deprivation. Every single school in my constituency will lose an average of £584 per pupil. Has the Prime Minister failed at maths, or failed to read her own manifesto?

The Prime Minister: I responded to that point earlier, but let me just reiterate what I said. Across the House, for many years, there has been a general acceptance that the current funding formula for schools is unfair, and that is why this Government are seeking a fairer formula. A consultation exercise is taking place, and the Department for Education will respond to it in due course. We are grasping this issue, whereas Labour did nothing for 13 years.

Q12. [909413] Sir Edward Leigh (Gainsborough) (Con): Can my right hon. Friend confirm that, following the forthcoming debate on the restoration and renewal of Parliament, all Members, including Ministers, will have a completely free vote on what is a House matter? Does she understand that many of us believe that in these times of austerity, we should not be frontloading billions of pounds of expenditure on ourselves at the expense of schools and hospitals, but should carry on working and stay in what is the iconic image of the nation?

The Prime Minister: The Palace of Westminster is world-renowned. It is a very important part of our national heritage, and it belongs to the United Kingdom. Of course, we also have a responsibility to our constituents to preserve this place as the home of our democracy. It will be for Parliament to make the final decision, but I assure my hon. Friend that, as this will be a House matter, there will be a free vote.

Q8. [909409] Chris Evans (Islwyn) (Lab/Co-op): Air and road pollution, brought about mainly by diesel engines, causes 40,000 early deaths in this country, while also causing severe lung diseases such as bronchitis and asthma among young people and children. Hafodyrynys Road in Crumlin, which is in my constituency, is the most polluted road in the United Kingdom outside London. It is an absolute disgrace. Most of the pollution is caused by heavy goods vehicles such as lorries and trucks, which travel along the road spewing out noxious gases on to residents. Will the Prime Minister commit herself to ensuring that hauliers will start using newer...
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receive money in their bank accounts for the delays that so that customers can tap on and tap off their train, and that money, and spend it on automated smart ticketing

Prime Minister insist that train operators ring fence who experience the delays are claiming because the compensation paid by Network Rail to train operators for delays far exceeds the amounts that the passengers

points that my hon. Friend has raised.

Repay compensation to allow passengers to claim after make claims easier. We are rolling out improved Delay ensure that we publicise compensation schemes and to claim the compensation that they are entitled to. The not profit from unclaimed compensation is for passengers

Southern. The best way to ensure that the operators do way in which they have spoken up on behalf of passengers, especially those using lines such as Thameslink and Southern. The best way to ensure that the operators do not profit from unclaimed compensation is for passengers to claim the compensation that they are entitled to. The Department for Transport is looking at how we can ensure that we publicise compensation schemes and make claims easier. We are rolling out improved Delay Repay compensation to allow passengers to claim after a delay of just 15 minutes. The Department is continuing to look at this issue, and I am sure it will pick up the points that my hon. Friend has raised.

Q13. [909415] Huw Merriman (Bexhill and Battle) (Con): The compensation paid by Network Rail to train operators for delays far exceeds the amounts that the passengers who experience the delays are claiming because the ticket refund process can be cumbersome. Will the Prime Minister insist that train operators ring fence that money, and spend it on automated smart ticketing so that customers can tap on and tap off their train, and receive money in their bank accounts for the delays that they have been caused?

The Prime Minister: My hon. Friend raises an important point, which I know is a source of much frustration to many rail passengers. I thank him and others for the way in which they have spoken up on behalf of passengers, especially those using lines such as Thameslink and Southern. The best way to ensure that the operators do not profit from unclaimed compensation is for passengers to claim the compensation that they are entitled to. The Department for Transport is looking at how we can ensure that we publicise compensation schemes and make claims easier. We are rolling out improved Delay Repay compensation to allow passengers to claim after a delay of just 15 minutes. The Department is continuing to look at this issue, and I am sure it will pick up the points that my hon. Friend has raised.

Q10. [909411] Pete Wishart (Perth and North Perthshire) (SNP): Last week the Electoral Commission imposed on the Conservative party its largest ever fine for breaking crucial election rules. What did the Prime Minister, her Cabinet and her aides know about any of this activity, and who was responsible for designing and signing off all this? Does she agree that this was at best willful negligence and at worst pure electoral fraud?

The Prime Minister: The hon. Gentleman asks me to respond to something that is a party matter, but I can assure him that the Conservative party did campaign in 2015 across the country for the return of a Conservative Government, and we should be clear that such campaigning would be part of the party’s national return, not candidates’ local return, as the Electoral Commission itself has said. The party accepted in April 2016 that it had made an administrative error on its national spending. It brought that to the attention of the Electoral Commission in order to amend its national return. As I have said, national electoral spending is a question for the national party, not individual Members. The Electoral Commission has looked into these issues, as it has with issues for the Liberal Democrats and the Labour party. It has issued fines to all three parties, and those fines will be paid.

Mr Ranil Jayawardena (North East Hampshire) (Con): The International Trade Committee has been taking evidence about exports from chambers of commerce this morning. Given the Prime Minister’s commitment to a global Britain, does she agree that we can maintain good relations with our European friends as we leave the European Union and also build on our long-standing relationships with our Commonwealth friends across the world to trade our way to greater prosperity?

The Prime Minister: One of the four pillars of our plan for Britain is a global Britain—that more outward-looking Britain. My hon. Friend is right that this is not just a question of ensuring that we get the right relationship with Europe when we leave the EU. We do want to continue to have a partnership—to be able to trade freely across Europe, and for companies in EU member states to trade with us—but we also want to enhance and improve our arrangements for trade with other parts of the world, including members of the Commonwealth.

Q14. [909416] Siobhain McDonagh (Mitcham and Morden) (Lab): Last week, through no fault of her own, Amy and her young daughter became homeless. After months of looking for a flat, she finally went to Merton Council, which told her that it could only offer her temporary accommodation in Birmingham, 140 miles away from her job, her daughter’s school, and the friends and family who make it possible for her to be a working single mum. May I ask the Prime Minister how it can be right that in one of the richest countries in the world, where Russian oligarchs and Chinese banks own scores of properties and leave them empty, a London-born working family like Amy’s have not a room to live in?

The Prime Minister: The issue of housing in the London Borough of Merton is one that the hon. Lady and I worked on many years ago when we were on the borough’s housing committee together. I recognise that she has raised a concern about a particular constituent. Obviously I will not comment on that individual case, but I will say is that it is important that, overall, the Government are dealing with the issue of homelessness. We are ensuring that we are building more homes and giving more support to people to get into their own homes, but this will take time as we make sure that those properties are available and that we maintain our record of providing housing support across all types of housing in this country.

Nicky Morgan (Loughborough) (Con): As the Prime Minister has already said, it must be right that the same pupils with the same characteristics should attract the same amount of money. The unfairness in the system was not challenged for 13 years under Labour. Yes, there might need to be changes to the current draft formula, but I hope that she will commit to fulfilling our manifesto promise to make school funding fairer. I think she would agree that if the Labour Government had carried on in office, their spending plans would
have led to what has happened in Greece and Spain, where not just hundreds but tens of thousands of teachers have had to be fired.

**The Prime Minister:** My right hon. Friend is right. As I said earlier, the issue of the funding formula for schools was ducked for too long—it was certainly ducked by the last Labour Government. We have started to address it: we have been looking at the formula, and we have brought forward a proposal. We will look at the consultation responses and respond in due course. She is also absolutely right about the Labour party. Its education policies would mean fewer opportunities in schools, and its economic policy would mean less funding for schools.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): Last week, the Prime Minister’s Government confirmed that there had been no assessment of the economic impact of a failure to strike a trade deal with the EU before Brexit. Is it not the case that, in triggering article 50 next week, we are the modern-day equivalent of Lord Cardigan, the military commander responsible for the charge of the Light Brigade? We all know how that ended.

**The Prime Minister:** In triggering article 50 next week, what I am doing is responding to the wishes of the British people.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Does the Prime Minister agree that we urgently need to find a solution to the impact of the national living wage on sleeping shifts in the care sector? This, together with the policy of Her Majesty’s Revenue and Customs of insisting on the payment of six years’ back pay, plus penalties, could have a devastating impact on this vitally important sector.

**The Prime Minister:** My hon. Friend raises an important point. Through the national living wage, we are giving Britain a pay rise and making sure that pay is fair in all sectors, including social care. On his specific point, we are looking at that issue carefully, including in the context of funding pressures on social care. We are working to ensure that enforcement protects low-paid workers in a fair and proportionate manner. As my right hon. Friend the Chancellor announced in the Budget, £2 billion of extra money is going into the social care sector, but the specific issue that my hon. Friend raises is being carefully looked at by the Treasury.

**Rosie Cooper** (West Lancashire) (Lab): Despite austerity, shocking pay increases were awarded to the board of the Liverpool clinical commissioning group, with a lay deputy chair now being paid more than £100,000 following a 43% increase. Will the Prime Minister agree to investigate the failures of governance within the CCG and the lack of scrutiny within the wider Liverpool health economy, and ensure that no mergers take place while those matters are being investigated?

**The Prime Minister:** I understand that my right hon. Friend the Health Secretary has asked NHS England to investigate the remuneration of non-executive directors at Liverpool CCG, and I am sure that he will keep the hon. Lady updated. We want to make the NHS even more efficient so that every possible penny can be spent on frontline patient care, and I am pleased to say that we are seeing results. The financial position has improved by £1.3 billion compared with this time last year, with 44 fewer trusts in deficit. As I say, NHS England is investigating the issue that the hon. Lady raised.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): The Prime Minister will be aware that the Jo Cox Commission on Loneliness is calling us all to action to highlight and tackle loneliness. In Northumberland, Forward Assist, a small charity of which I am a patron, is taking up this challenge, working with female military veterans who are suffering from severe isolation issues. Will the Prime Minister meet me and some of those extraordinary women to learn about how our Government can help to avoid this outcome in the future?

**The Prime Minister:** I commend the work that is being done by Forward Assist in my hon. Friend’s constituency. It sounds like a valuable project that is doing important work. The Secretary of State for Defence will be happy to meet her.

**Jack Dromey** (Birmingham, Erdington) (Lab): The Schools Minister has been good enough to agree to meet Erdington headteachers tomorrow. The constituency is rich in talent, but it is one of the poorest in the country. Some 96% of Birmingham’s schools will lose a total of £20 million under the Government’s fair funding formula, yet Surrey gains £17 million, Suffolk gains £10 million, and Windsor and Maidenhead gains £300,000. How can that possibly be fair?

**The Prime Minister:** I note that the Schools Minister will be meeting the hon. Gentleman and headteachers to discuss the issue. The fair funding formula is about trying to ensure that the unfair funding that has existed up until now is actually dealt with. There are some very, very stark differences. There are schools in London, for example, that get almost twice the funding of those in other parts of the country. We need to ensure that we address the unfairness in the funding formula but, as I said earlier, there is a consultation exercise and the Department for Education will respond in due course.
12.41 pm

Mr Gavin Shuker (Luton South) (Lab/Co-op) (Urgent Question): To ask the Secretary of State for Transport if he will make a statement on recent changes to aviation security.

The Secretary of State for Transport (Chris Grayling): The safety and security of the travelling public will always be our paramount concern, and this Government will not hesitate in putting in place any measures that we believe are necessary, effective and proportionate. That is why we took the decision yesterday to step up some of our aviation security measures in response to potential threats, as set out in a written statement yesterday afternoon.

The new measures will be applied to all inbound direct flights to the United Kingdom from Turkey, Lebanon, Jordan, Egypt, Tunisia and Saudi Arabia. We have explained the decision at all levels with our partners in the region. We have also spoken to European partners with significant interests in aviation, such as Germany and France, and partners elsewhere whose travellers and carriers may be affected. The House will be aware that the United States Government made a similar announcement shortly before ours regarding flights to the United States, and we have been in close contact with them to fully understand their position. While the UK has some of the most robust aviation security measures in the world, we can never be complacent. That is why we continue to work in conjunction with our international partners and the wider aviation industry to keep security under constant review and to ensure that new measures are introduced in a way that keeps the level of disruption that they may cause to passengers to a minimum.

Passengers boarding flights to the UK from the countries I have listed will not be allowed to take any phones, laptops or tablets larger than a normal-sized mobile phone. We have specified the maximum dimensions to assist both airlines and passengers: a length of 16 cm, a width of 9.3 cm, and a depth of 1.5 cm. Passengers are advised to take some simple steps at check-in to prepare by placing personal electronic devices into their hold luggage before going through central security. Normal cabin baggage restrictions will continue to apply. Passengers should check online with their airline or airport for further information. My Department is working round the clock with the industry to ensure that passengers get the information they need when and where they need it. While we will do everything we can to minimise the disruption to people’s journeys and we understand the frustration that may be caused, our top priority will always be to ensure that public safety is maintained.

These new measures are concerned with flights into the United Kingdom. The UK is not advising against flying to and from the affected countries, and those with imminent travel plans should contact their airline for further information—the Foreign and Commonwealth Office also publishes travel advice on its website. UK airports have been informed, and my officials have asked them to consider standing up their own contingency arrangements, should they be needed.

The whole House will recognise that we face a constantly evolving threat from terrorism and must respond accordingly to ensure the protection of the public against those who would do us harm. The changes we are making to our security measures are an important part of that process, and I assure the House that we will continue to work closely with airlines, airports and the wider travel industry over the coming weeks to ensure that passengers know what is expected of them. I ask for passengers’ patience as the new measures bed in.

I will continue to keep the House updated on developments.

Mr Shuker: This is a major change to our aviation security regulations and carries serious potential for delay and confusion for UK passengers.

First, will the Secretary of State explain why the UK and US bans were announced within hours of one another yet provide for different countries, different airlines and, in effect, different devices? The United Arab Emirates, Qatar, Kuwait and Morocco, for example, are all affected by the US ban but are not included in the UK ban. No US operator is affected, but six British airlines are. Size restrictions on electronic items differ between the two.

The Washington Post reports that US officials have been discussing new restrictions for more than a fortnight. When exactly did Ministers first learn of those potential changes? Does the Secretary of State agree that, to avoid passenger confusion and delay, efforts should be made to harmonise the bans? And for what specific reasons did he exclude fewer countries than the US?

Secondly, passengers presently booked to fly from one of the affected airports are unclear about what the ban will mean for them in practice. For the increasing number of passengers who fly on “hand baggage only” fares, what procedures have been put in place proactively to communicate changes before they turn up at security queues at a busy airport? Will UK passengers have to buy luggage in order to carry their electronic devices? What discussions has the Secretary of State had with insurers, who do not routinely cover electronics carried in the hold, and what assessment has he made of the security of affected airports against theft and damage to devices?

Thirdly, efficacy. Have the restrictions been introduced in response to a specific threat that differs in nature from the al-Shabaab attack on an aircraft out of Mogadishu, which took place more than a year ago and did not result in the loss of the aircraft? Have checks on such items been stepped up, in addition to changes to their placement on aircraft? And what evidence does the Secretary of State have that placing potentially problematic items in the hold is safer than placing them in the cabin, especially as potentially explosive devices, such as lithium-ion batteries, have been banned from hold luggage?

Aviation security is rightly under constant review. Can the Secretary of State assure us that all has been done to ensure that these regulations are effective, consistent and put the passenger first?

Chris Grayling: First, on aviation security, let me make it clear that we respond to the evolving threat we face from terrorists. There are some things that we make public, and there are others that we do not. I will not give the hon. Gentleman full details of the background to the decision, which we took in response to an evolving
threat—he would not expect me to do that. Suffice it to say to the House that we have taken these steps for good reason.

On the difference between the approaches of the United Kingdom and the United States; the approach of the United States is a matter for them. As would be expected, we have considered all the evolving information before us to reach a decision about what we believe is in the interest of the United Kingdom and the protection of our citizens.

The hon. Gentleman asked why the measure does not affect US operators, and the answer is that they do not currently fly to the affected destinations; other airlines do. We have applied our change to the requirements to all airlines, both UK and non-UK, that fly the affected routes. On the question of timing, we keep the matter under constant review and have done so for some time. We have taken this decision because we believe it is the right one to take against the background of the evolving threat.

The hon. Gentleman asked about people travelling with hand baggage only. That is very much a matter for the airlines to resolve. We have been in detailed discussions with them in recent days, and they are now preparing to implement this new change. It will be for individual airlines to establish exactly how to handle passengers who are booked on hand baggage-only tickets. I will write today to the Association of British Insurers to ask it to be mindful of this issue. The hon. Gentleman made an important point about the risk of theft, and we will ask the insurance industry to be careful to be mindful of and realistic about this. We have taken this decision in a way that we believe is necessary to protect the safety of UK passengers, but the hon. Gentleman will forgive me and understand if I say that the background to every decision of this kind that we take is inevitably based on matters that we cannot automatically put into the public arena.

Sir Hugo Swire (East Devon) (Con): I have just returned from a Conservative Middle East Council trip to Egypt, where we were able to see the devastating effect to the local economy in Sharm el-Sheikh of the continuing ban on flights to that region. We also met the President and heard first-hand from the Egyptians their concerns that they are being singled out in some way; that may be the reaction of other allies who are being named today. Will my right hon. Friend commit to discussing with other Ministers a diplomatic offensive to go to these countries to explain to them why these actions are being taken and that they are not being singled out? Will he also liaise with the Secretary of State for International Development to provide some extra assistance to the airports in these countries? The change will cause further disruption to travellers, and some airports simply do not have the capacity to introduce a new security measure.

Chris Grayling: I can give my right hon. Friend a categorical assurance that we are already in dialogue with the countries and that we will take great care to ensure that we do everything we can to help at the other end, in their airports. We already co-operate closely. To be absolutely clear, this is not a question of singling out countries; we would never embark on such a process. The decisions are taken purely and simply on the basis of what we believe the risks are and where we believe we need to take steps to protect United Kingdom citizens. It is no more and no less than that.

Richard Burden (Birmingham, Northfield) (Lab): Safety must, of course, be the top priority, but there really are still too many loose ends. Do the Government have evidence that the security risk to flights from the countries listed by the Secretary of State is greater than the risk from flights from other countries? If not, why are flights from these countries alone being targeted for action? Why have the UK and the USA apparently reached different conclusions—I assume, from the same intelligence—about the countries from which in-cabin electronics present the greatest risk, or are the differences between the two lists about something other than intelligence?

If the presence of electronics on aircraft flying from the countries listed is the security threat Ministers believe it to be, why are there no restrictions on electronics in the hold baggage from those countries? What thought has been given to people carrying electronics on board who change planes in countries not affected by the measures? What liaison has there been with the countries listed, with countries not listed and with airlines, all of whose confidence and co-operation will be crucial to the effectiveness or otherwise of the measures? What action is the Secretary of State taking to ensure that passengers get the clearest information possible about what they are and are not allowed to take on board to ensure that delays to journeys are minimised?

As I said at the outset, safety has to be our top priority, but there really are too many loose ends. If there really are clear security grounds for the restrictions, the Secretary of State has to be clearer about what those grounds are, otherwise the UK and US Governments will remain open to the suspicion that they are unreasonably singling out particular countries in the middle east and north Africa, rather than properly thinking through which precautions can actually keep flights safe from terrorism, wherever the aircraft fly from.

Chris Grayling: I take a little bit of issue with that last point. The Labour party was in power for 13 years, and the hon. Gentleman’s Front-Bench predecessors well understood that there are things that we cannot set out in public that lie behind the decisions we take in the interests of passengers. That has not changed throughout all the years in which each of our parties has been in office. I understand his desire for information, but the reality is that there is an evolving security threat to aircraft, and we take decisions as and when we believe it is necessary to do so to protect our citizens. I am very clear that this is nothing to do with singling out countries or destinations. The decisions we take are based purely and simply on an evolving security threat, and on what we believe is the right way to protect United Kingdom citizens. The United States Administration will take decisions about how they believe they should best protect their citizens. We do not always have to take exactly the same decisions on behalf of both our countries. We have done what we think is right for the United Kingdom.

The hon. Gentleman raised a couple of other points, including transfer passengers. The rules will apply to transfer passengers. As is normally the case now, transfer passengers will go through a further central security
[Chris Grayling]

check and will be subject to the same at-gate checks. If they have a laptop, tablet, or large or oversized phone with them, it will be placed in the aircraft’s hold. The individual airlines are working, with our support, on providing the best possible information to passengers, as will the Foreign Office and various Government agencies that can play a role, but our first and foremost priority in response to an evolving security threat is to ensure that we provide the best possible protection for our citizens.

Sir Desmond Swayne (New Forest West) (Con): Why are they safer in the hold?

Chris Grayling: I hate to be disingenuous to my right hon. Friend by repeating answers but, as I said, I cannot discuss the detail of that evolving security threat. We have taken what we believe is the right decision in the interests of protecting our citizens.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): We cannot second-guess the security intelligence that the Government have received. The safety and security of our citizens are the primary concerns of the Scottish National party and the Scottish Government, who will work closely with the UK Government to ensure that appropriate and proportionate measures are in place. First, I ask the Secretary of State what discussions have taken place with Scottish Government Ministers, and did those discussions include a commitment to keep them and Transport Scotland up to date with developing events? Secondly, will some kind of mitigation or compensation be put in place for those who may face extra charges as a result of having booked flights with just hand baggage previously? Finally, what additional resources, if required, will be made available to UK airports to take forward the measures?

Chris Grayling: On the latter point, the impact on UK airports is not immediate because the new rules do not apply to UK airports, but we have asked UK airports to think ahead practically in case matters change in the future. The aviation Minister and officials were in contact with the Scottish Government yesterday. I believe that the Scottish Minister and the aviation Minister have yet to be able to fix a time to speak, but intend to do so today. We will keep the Scottish Government informed. With regards to people who have booked hand baggage only and who may be affected, we have been in discussions with the airlines and we hope, believe and expect that they will work a system that ensures people are not worse off as a result of the changes.

Henry Smith (Crawley) (Con): I commend my right hon. Friend for ensuring the paramount importance of our national security and the safety of British citizens travelling. As Gatwick airport is in my constituency, I am also grateful to him for talking with the airport authorities and tour operators in my area. May I seek assurances that he will continue to keep them involved as this evolving situation develops?

Chris Grayling: I can give my hon. Friend that absolute guarantee. We are talking extensively to the whole industry. It is very much my hope that we will not end up having to take further steps, but we need to be constantly mindful of the evolving security threat. The security and safety of British passengers will always be absolutely at the top of our priority list.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am reassured that security is paramount, and it must remain so, but will the Secretary of State please clarify exactly how passengers will know which arrangements they have to make for individual journeys? Is he still looking at the situation in overseas airports where it is known that there are security concerns?

Chris Grayling: We have a widespread effort to make sure we provide protection to our citizens, both in the UK and in other countries. We do extensive security liaison work with other countries, including in the region affected. I am very grateful to all the countries we work with for the co-operation and support they provide us with in this important work. It is in all our interests that we continue to maintain aviation and tourist flows and to provide the economic benefits to all parties that good aviation brings. We will do everything we can to work with those partners to make sure we have as safe an aviation sector as we can.

John Stevenson (Carlisle) (Con): We all accept that circumstances change and threats will change over time. Is there a time limit to these changes? Is there a specific date when they will be reviewed?

Chris Grayling: On time limits, the change will be implemented from now by the airlines; they are being asked to have the changes in place within a very short period. Clearly, they will have a job to do, as we will, to communicate to people who are returning and will be affected by this. The airlines are very seized of the need to do that well. We all hope that these are temporary measures, but we will keep this under review and we will keep them in place for as long as they are necessary to secure the safety of our passengers.

Tom Brake (Carshalton and Wallington) (LD): I accept that the Secretary of State may not be able to answer these two questions, but why does this measure apply only to direct flights? Are other countries under active consideration in terms of being added to the list?

Chris Grayling: All I can say in response is that we keep these issues under constant review. We believe the decisions we have taken this week are the right ones in the face of the evolving terrorist threat.

Mims Davies (Eastleigh) (Con): I thank the Secretary of State for his update. Many of my constituents work at National Air Traffic Services and my constituency is host to Southampton airport. How will the communications start in respect of journeys from regional airports?

Chris Grayling: It will be very much the responsibility of the airlines to explain this, and we will provide them with whatever support we can. I extend my thanks to all those people in the UK airlines, and indeed in international airlines, with whom my Department has been working in the past few days. They have been enormously helpful and co-operative on what is a difficult change for them, and we should all be grateful to them.
Derek Twigg (Halton) (Lab): May I ask the Secretary of State about flights from this country? Is he confident that if a terrorist were to try to get a laptop or an iPad on to a plane here, that would be detected, and that there is no chance of their getting it through our security?

Chris Grayling: Our airports and our security industry are among the best—if not the best—in the world. We should be proud of how well our airports are protected. The decisions we take are based, and those we take in the future will be based, on our assessment of what is necessary at any time. Our judgment is that the changes we are making today are what is necessary at this moment in time, given the evolving threat.

Craig Whittaker (Calder Valley) (Con): My right hon. Friend is absolutely right when he says that security must be the Government’s top priority, and this is something I am sure people will feel comfortable with in the long run. He mentioned minimising disruption and frustration for passengers. What discussions has he had with Home Office counterparts at Border Force to minimise disruption, given that only five of Gatwick’s many scanners working were working on Monday?

Chris Grayling: It is disappointing if there has been a temporary problem at the airport, but my recent experience of travelling through Gatwick has been that it is generally pretty good and so something must have gone wrong on that day. I know that all our airports and those in the Border Agency will endeavour to work with the airlines to try to make sure that any steps we take to address security issues are undertaken in a way that minimises to the maximum possible extent the impact on passengers.

Keith Vaz (Leicester East) (Lab): The Secretary of State is absolutely right to take whatever measures are necessary to protect the public from the threat of terrorism. Further to the question put by the right hon. Member for East Devon (Sir Hugo Swire) on Egypt, the Secretary of State mentioned Tunisia, which has already been suffering because of the travel ban, and this measure will be an added burden on those travelling from Tunisia. If the Tunisian authorities ask the Government for assistance with the initiation of new scanner equipment, would we be willing to help them provide that kind of equipment?

Chris Grayling: I am grateful to the right hon. Gentleman for his supportive comments. First, we already provide extensive support and will continue to do so. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), is due to be visiting Tunisia in a couple of weeks’ time. We are already in contact with the Tunisians and with the Egyptians, and we will do what we can to help them, both with this issue and with related issues. None the less, we will always still put the safety of our citizens first.

Richard Benyon (Newbury) (Con): Further to the point raised by my right hon. Friend the Member for East Devon (Sir Hugo Swire), about 100,000 people are employed in the tourist industry in Sharm el-Sheikh and they could lose their jobs if the flight ban continues. Does my right hon. Friend the Secretary of State consult other people I see sitting on the Treasury Bench to ensure that the impact that that degree of unemployment could have, including on the wider supply chain jobs and in leading to further radicalisation of people in South Sinai, is considered?

Chris Grayling: We have extensive conversations with the Egyptians and we have kept the situation in Sharm el-Sheikh under constant monitoring. My right hon. and hon. Friends in the Foreign and Commonwealth Office and in the Home Office have regular contacts and discussions about these issues, as does my Department. Fundamentally, although I would love to see us resume flights to Sharm el-Sheikh at the earliest opportunity, we can do so only at a point where we are confident about the security and safety of our own people. I have no doubt that as soon as we have that confidence we will want to try to resume those flights.

Lilian Greenwood (Nottingham South) (Lab): The Government are of course right to act swiftly in response to intelligence regarding terror threats, but a number of important questions remain. As the right hon. Member for Carshalton and Wallington (Tom Brake) noted, some passengers from the countries listed will change planes in third countries. What discussions has the Secretary of State had with his counterparts in other countries about the implementation of these restrictions for transfer passengers?

Chris Grayling: As of yesterday, when we took the decision, we had already had contacts at both ambassadorial and ministerial level in some places with our counterparts in other countries. They will each take their own decisions about what is necessary, but we are clear about what is right for our citizens. Those countries elsewhere in Europe and in the world will now be contemplating what the best steps are in terms of their own citizens.

James Berry (Kingston and Surbiton) (Con): As this is an evolving threat, will my right hon. Friend confirm that countries and airports could be added or removed from the list that the Government have published, should the British intelligence services so recommend?

Chris Grayling: Obviously, we will keep this and other security issues in relation to our aviation sector under review. We will take whatever steps are necessary to provide that protection. As I say, I hope that this new set of measures will prove to be temporary, but first and foremost our focus will be on the security and safety of our passengers. Therefore, that will be the deciding factor in what we do in the future.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The United States ban will be enforced by 7 am on Saturday, following 96 hours’ notice. The Secretary of State said that airlines here would implement this ban over a short period of time. Has he given airlines in the UK an indication of a firm deadline by which he expect full implementation of the UK ban?

Chris Grayling: We are expecting this to be implemented in the same timeframe.

Kevin Foster (Torbay) (Con): I am sure that the Secretary of State would agree that on such a day the message should also be about reassuring people that
threats are reacted to and passengers should not be panicking about these types of announcements. Will he outline what steps will be taken to reassure passengers as well as inform them of the work the Government are doing?

Chris Grayling: Let me make it clear again to the House today: we are not saying to people that they should not travel to these countries. We are not saying that they should cancel their flights. We are not saying that they should cancel their holidays. We want aviation to continue as normal and we are simply taking additional security measures to make sure that that aviation is safe for those people who travel. There is absolutely no change to Foreign Office travel advice and no change to our advice to people about where, how and when they should travel; this is purely about making sure that when they do travel they are safe.

Ian Murray (Edinburgh South) (Lab): The Secretary of State said that anyone who travels on a hand baggage-only ticket would not be charged or out of pocket, and that he would be encouraging the airlines, which would be responsible, to take the right course of action. Will he consider doing something further to make sure that nobody is charged for putting hand baggage in the hold?

Chris Grayling: We are in discussion with the airlines about this. But this measure is not about an inability to take hand baggage into the cabin. If someone arrives at the gate with one of these items in their bag, it will be put in the hold. This is not about saying that people cannot have hand baggage, although some people may choose to put all their hand baggage into the hold; it is simply about the device itself.

Charlotte Leslie (Bristol North West) (Con): I am not seeking any information from the Secretary of State on the nature of the intelligence, but I am concerned about the implications of the ban on diplomatic relationships with valuable allies. I, too, have returned from Egypt, and if such security relationships are jeopardised, that will jeopardise the longer-term wider security of UK citizens.

Chris Grayling: That is precisely why these are difficult issues, and we will do everything we can to strengthen our partnerships with those nations. We are sending a very clear message that we are not saying to people, “As a result of this change, stop flying on those routes,” but saying, “You should probably have more confidence about flying on those routes, because the measures we are putting in place today should protect your safety, rather than have the opposite effect.”

Robert Flello (Stoke-on-Trent South) (Lab): I commend my hon. Friend the Member for Luton South (Mr Shuker) for asking this urgent question. We are approaching Easter, a time when many families, with many nervous flyers among them, will be taking flights. What reassurance can be given to families taking flights from other destinations—not the ones listed—that the terrorists will not just think that as they can no longer fly and use

Chris Grayling: The reassurance I would give to those people is that we put in place such safety measures when we believe they are the right thing to do to protect their safety. We think this is the right way to address the issues that we have been considering, but I would say to people travelling from elsewhere that if we had had the same concerns, we would have acted more broadly. We have acted in the way that we think reflects the evolving terrorist threat. I hope that people generally will travel at Easter as normal, and those travelling on these routes can do so knowing that we have put in place additional safety measures to protect them.

Tom Pursglove (Corby) (Con): Ministers are absolutely right to be uncompromising when it comes to passenger safety, but what consultation was carried out with the airlines before the regulations were made?

Chris Grayling: We have been in regular contact with the airlines in recent days, and we have talked to them about the implications of the change. I last had conversations with a number of the airlines yesterday afternoon, as did the aviation Minister, so we have been in regular contact with them.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for his statement. As everyone has said, security is paramount, and the measures are important and welcome. He has named six countries, but he will know that it is easy to move from country to country and that it may therefore be possible to bypass the new security systems. What consideration has been given to adding other countries to that list right away?

Chris Grayling: There are a range of ways in which we protect the security of passengers on flights to the United Kingdom. This is one part of a broader strategy that we have had in place for many years to provide such protection. We make changes when we judge them necessary in the face of the evolving threat, and we will of course continue to monitor the situation and make any further changes dictated by that evolving threat.

Alan Brown (Kilmarnock and Loudoun) (SNP): By default, the Government are saying that they do not trust the security arrangements that these countries have in place at their airports, and we are actually putting an extra onus on the airlines. What checks will the Government do to make sure that the new arrangements are successful and that people cannot actually still get electronic devices into the cabins of aeroplanes?

Chris Grayling: Let me absolutely clear: this new announcement is not a vote of no confidence in the security measures in any other country. The decision was specifically taken in response to an evolving security threat, and I do not want it to be seen as a thumbs down to the security arrangements available in any of the countries affected.

Stewart Malcolm McDonald (Glasgow South) (SNP): I will keep you on my Christmas card list for now, Mr Speaker.
I of course commend the Secretary of State for acting on the security information he has been given. However, I have been contacted by a constituent, Dr Ahmed Khan, who has previously experienced some unpleasant behaviour at airports when he has been travelling. Will the Secretary of State give an assurance to my constituent and other Muslim people around the UK, who may feel that this is another attack on their liberties at airports, that it is not such an attack and that they will be treated properly and with dignity as they travel through UK airports?

Chris Grayling: Let me also be clear about this point: in recent years, we have seen a whole range of horrendous terrorist events in which Christians, Muslims, Hindus, people of no faith and many others have died side by side. Our job is to protect every single citizen of the United Kingdom whatever their faith, and this is about protecting every single citizen of the United Kingdom whatever their faith.

Point of Order

1.15 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): On a point of order, Mr Speaker. I previously pointed out to the Leader of the House in business questions that both the Liberal Democrats and Labour have been fined for their conduct in the 2015 election. I drew attention to the fact that the Tories were also under investigation and that the Electoral Commission has expressed concerns that the capped fine limit means that fines are no longer a suitable deterrent. Basically, the Leader of the House was almost dismissive with a “how dare he raise that” response, and he stated that “for Members of the Scottish National party to give lectures about good practice during election campaigning is a bit rich.”—[Official Report, 19 January 2017; Vol. 619, c. 1088.]

That implied that the SNP was possibly implicated as well. Now that the Tories have been fined a record £70,000, how can I make sure the record is correct: the SNP was the only major party not fined at the election, and our record number of MPs was returned without any financial shenanigans? How do I make the Leader of the House consider it worthwhile to make an apology?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and for his characteristic courtesy in giving me advance notice of his intention to raise it. What I would say to the hon. Gentleman is as follows: first, he has found his own salvation by putting what he regards as the facts of the matter on the record, where they will permanently reside, doubtless to the great delight of the hon. Gentleman and possibly of other people in Kilmarnock and Loudoun; and, secondly, when the hon. Gentleman asks what can be done to procure an apology from the Leader of the House, I fear that that may be a case of optimism triumphing over reality. I was in the Chamber at the time, and the Leader of the House is of course responsible for what he says, but I think the Leader of the House offered a robust response in the course of what might have been thought a knockabout exchange. I have always thought that the hon. Member for Kilmarnock and Loudoun (Alan Brown) was quite a steely fellow himself, but if I am in any sense mistaken on that front, may I commend to him the benefits of acquiring at least one of the characteristics of the rhinoceros? I am referring not of course to aesthetic beauty, but to notable resilience. We will leave it there for now.

If there are no further points of order, at any rate for now, we come to the presentation of a Bill. [Interruption.] Order. I am sure hon. Members are awaiting with anticipation and a degree of excitement the presentation of a Bill in the name of the right hon. Member for Leicester East (Keith Vaz).

BILL PRESENTED

VIOLENT CRIME (SENTENCES) BILL

Presentation and First Reading (Standing Order No. 57)

Keith Vaz presented a Bill to increase the minimum custodial sentence on conviction for possession of a knife or other offensive weapon for an offender aged 18 years or over and to increase the minimum period of detention and training order for a person aged 16 or 17;
to set a minimum custodial sentence on conviction for an offender in possession of a knife or other weapon and intending to commit any offence or having such a weapon available to use in committing murder; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 12 May, and to be printed (Bill 160).

Terms of Withdrawal from the European Union (Referendum)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.18 pm

Tim Farron (Westmorland and Lonsdale) (LD): I beg to move,

That leave be given to bring in a Bill to make provision for the holding of a referendum in the United Kingdom and Gibraltar on the proposed terms for the United Kingdom to leave the European Union; and for connected purposes.

On 23 June 2016, a narrow majority voted for the UK to leave the European Union. I deeply regret that outcome, but I am a democrat, and I accept it. However, a week from today, the divorce proceedings will begin, and the country now faces a greater period of uncertainty than most of us have ever experienced. One thing is for certain: democracy did not end at 10 pm on 23 June last year.

Not long ago, the Secretary of State for Exiting the European Union himself made the case very eloquently for what is now the proposal of the Liberal Democrats and others. He referred to a first “mandate referendum” and a second “decision referendum”, and said:

“The aim of this strategy is to give the British people the final say, but it is also to massively reinforce the legitimacy and negotiating power of the British negotiating team.”

I could not agree with him more; it is a great shame that he does not agree with himself anymore.

Last week, in rejecting a second referendum on independence for Scotland, the Prime Minister said:

“I think it wouldn’t be fair to the people of Scotland because they’re being asked to make a crucial decision without all the necessary information—without knowing what the future partnership would be, or what the alternative of an independent Scotland would look like.”

She is now asking the people of the United Kingdom as a whole to proceed to forge a relationship with the rest of Europe, and, indeed, the world, on exactly that basis—on the basis of a decision taken last June “without all the necessary information—without knowing what the future partnership would be”.

The Secretary of State’s original case stands: we started this process last June with democracy, so we must end it with democracy, too. I accept that we have had our “mandate referendum”, in which the British people voted to leave, but voting for departure is not the same as voting for a destination. The Government should now give the British people a “decision referendum”, to be held when the EU negotiation is concluded, so that the British people have all the necessary information and know what our future partnership will be, because it is the people who are sovereign in this country. The people can and must have their say over what comes next, and this Bill would enshrine in law their right to do so.

Last week, when debating even the right of Parliament to have the final say on the Brexit deal, the Government displayed ludicrous inconsistency and double standards. The Brexiteers asked us to “take back control”, yet the first thing they do is undermine the principle of democratic accountability in our Parliament by refusing even to allow a meaningful vote in this House. The detail, or
even the general nature, of the deal that the Government may reach with the European Union is currently completely unknown—the mystery to us and to them—yet the British people are now told that they must simply shrug and accept any old deal, irrespective of its content or quality. When the deal is done, it will be signed off by someone. The only question is, who? Will it be the politicians, or will it be the people?

My party believes that the deal should be signed off by the people. No plans, no instructions, no prospectus and no vision were offered to voters by the leave campaign. With respect, I did not agree with the case for Scottish independence put forward by the right hon. Member for Gordon (Alex Salmond) in 2014. But, credit where credit is due: there was a 670-page prospectus of what Scotland outside the United Kingdom would look like. The leavers did not present the British people with such a prospectus; all they gave us was a lie on the side of a bus—hardly comparable. The pro-independence campaign in Scotland presented the Scottish people with not just the option of departure but the option of destination. Of course, the Scottish people voted against both the departure and the destination, but had the result gone the other way, there would have been no need to hold a people’s vote on the final deal on independence from the United Kingdom.

I still believe it is absolutely impossible for the Government to negotiate a better deal with Europe than the one we currently have as a member of the European Union. Nevertheless, the negotiations will happen and a deal will be reached. Surely the only right and logical step to take is to allow the people to decide whether it is the right deal for them, their families, their jobs and their country.

No one knows what the final deal will look like, but we do know that the Prime Minister has already given up on the United Kingdom’s membership of the single market, without even putting up a fight. In January, after months of saying that Brexit means Brexit, she finally came clean: Brexit means jumping out of the single market—the world’s biggest marketplace—with all the consequences that will have for people’s jobs and our economy. The Prime Minister is entitled to make that choice, but let us be absolutely clear: it is a choice. That is one of the reasons I was so astounded that the right hon. Member for Islington North (Jeremy Corbyn) and many in his party—although not all, of course—made the decision to vote with the Government on article 50. This House did not vote to enact the will of the people; this House voted, if we are to be generous, to interpret the will of the people.

Just like the Conservative party in its 2015 manifesto, I passionately believe that ending our membership of the world’s biggest free market will do untold damage to this country. It is vital for our economy, which is why my party and others refuse to stop making the case that the deal must include membership of the single market. The Prime Minister had the choice to pursue a form of Brexit that united our country, reflected the closeness of the vote and sought to heal the divisions between leave and remain. She could have fought to keep us in the single market, if she wanted to; she has chosen not to. She is pulling us out before the negotiations have even begun. Yes, the British people chose Brexit, narrowly, but nobody voted for the severance, irrelevance and decline that an unforced exit from the single market will bring. It is this Conservative Government who have chosen this Brexit.

The referendum vote does not give the Government a mandate for absolute severance from Europe. For 40 years now, the anti-European crowd have been saying words to the effect of, “Well, in 1975 I voted to be in the common market; I didn’t vote to be in the European Union.” Now, we turn that completely on its head, because in June people narrowly voted to leave the European Union, but no one voted to leave the Common Market—they simply were not asked. Nor did they vote to place a question mark over the status of their friends, neighbours and loved ones who happened to be born in another part of the European Union. The inaction of the Government and their unwillingness to guarantee the rights of millions of EU citizens living here is shameful; it is absolutely contrary to the British values of openness and tolerance to refuse to do so.

With this Bill, I am seeking to reinforce and strengthen the will of the people—to allow them to exercise their democratic right and duties by giving them a choice about what we and our children will have to live with for generations to come. They would be able either to accept the deal the Government achieve, or to say “Thanks, but no thanks” and opt to remain in the European Union. The gate has been opened and the direction is set, but the only way to achieve democracy and closure for both leave and remain voters is for there to be a vote at the end. If the Prime Minister is so confident that what she is planning to do is what people voted for, why not give them a vote on the final deal? What is she scared of? What started with democracy cannot end with a stitch up. The deal must not be merely rubber-stamped by politicians: it must be agreed by the people.

Question put and agreed to.

Ordered.

That Tim Farron, Mr Nick Clegg, Tom Brake, Mr Alistair Carmichael, Norman Lamb, Greg Mulholland, Sarah Olney, Mr Mark Williams, Heidi Alexander, Geraint Davies, Caroline Lucas and Jonathan Edwards present the Bill.

Tim Farron accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 May, and to be printed (Bill 161).

PENSION SCHEMES BILL [LORDS] (PROGRAMME) NO. 2

Ordered.

That the Order of 30 January 2017 (Pension Schemes Bill [Lords] (Programme)) be varied as follows:

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

(2) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order;—

(Christopher Pincher.)
Pension Schemes Bill [Lords]
Consideration of Bill, as amended in the Public Bill Committee.

New Clause 1
Funder of the last resort

“This notwithstanding the provisions of section 8, the Secretary of State shall make provision for a funder of last resort, to manage any cases where the Master Trust has insufficient resources to meet the cost of complying with subsection (3)(b) of that section.”—(Alex Cunningham.)

This new clause ensures that the Secretary of State will make provisions for a last resort if a Master Trust were to face difficulty.

Brought up, and read the First time.

1.29 pm
Alex Cunningham (Stockton North) (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:

New clause 2—Member trustees—

“(1) By a date to be set by the Secretary of State in regulations, approved Master Trust Schemes must ensure that at least a third of the trustees of the scheme are Member Trustees.

(2) Member Trustees must be individuals who are—

(a) members of the Master Trust scheme; and
(b) not members of senior management of a company that is enrolled in the Master Trust scheme.

(3) Member Trustees must be appointed by a process in which—

(a) any member of the scheme who meets the condition in subsection (2) is to apply to be a Member Trustee,
(b) all the active members of the scheme, or an organisation which adequately represents the active members, are eligible to participate in the selection of the Member Trustees, and
(c) all the deferred members of the scheme, or an organisation which adequately represents the deferred members, are eligible to participate in the selection of the Member Trustees.

(4) Member Trustees should be given sufficient time off by their employer to fulfil their duties.

(5) For the purpose of this clause “senior management”, in relation to an organisation, means the persons who play significant roles in—

(a) the making of decisions about how the whole or a substantial part of its activities are to be managed or organised, or
(b) the actual managing or organising of the whole or a substantial part of those activities.”

This new clause requires Master Trusts to make provision for some form of member representation within Master Trusts.

New clause 3—Member representation and engagement—

“One year on from the registration of Master Trusts by the Pensions Regulator, the Government will fully review member trustee representation, member engagement and annual member meetings.”

This new clause requires the Government to set up a review into member representation and engagement within Master Trusts.

New clause 4—Requirement to hold an Annual Member Meeting—

“(1) The trustees of an authorised Master Trust scheme must hold an annual meeting open to all members of the scheme.

(2) The Master Trust must take all reasonable steps to make the meeting accessible to all members, this includes making arrangements for—

(a) scheme members to observe the meeting remotely, and
(b) scheme members to submit questions to trust members remotely.”

This new clause requires Master Trusts to hold an Annual Member Meeting, and sets out ways to ensure members are properly given the opportunity to be involved.

New clause 5—Excluded groups—

“(1) The Secretary of State must, before the end of the period of 12 months from the day on which this Act receives Royal Assent, establish a review of participation in Master Trust schemes.

(2) The review must consider what steps can be taken to increase the participation in Master Trust schemes by the following groups—

(a) carers,
(b) self-employed,
(c) workers with multiple employees, and
(d) workers with annual earnings below £10,000.

(3) One of the options considered by the review to improve participation must be changes to the terms of auto-enrolment.”

This new clause enshrines the requirement on the Government to do something specific for currently excluded groups.

New clause 6—Exit fees—

“(1) The Secretary of State may by regulations restrict or set limits to exit fees paid by members of a Master Trust scheme.

(2) For the purposes of section (1) “members” includes past and current, active and deferred members.”

This new clause makes provision for the Secretary of State to restrict exit fees paid by Master Trust schemes’ members.

New clause 7—Asset protection for unincorporated businesses—

“The Secretary of State must, by regulations, make provision to amend section 75 of the Pensions Act 1995 in order to protect unincorporated businesses who are at risk of losing their personal assets including their homes.”

New clause 8—Review of actuarial mechanisms for valuing pension scheme liabilities—

“Within six calendar months from the day on which this Act comes into force, the Secretary of State must conduct a review of the actuarial mechanisms used to value pension scheme liabilities under section 75 of the Pensions Act 1995.”

New clause 9—Non-associated multi-employer schemes: orphan debt—

“The Secretary of State must, by regulations, exclude from the calculation in section 75 of the Pensions Act 1995 the orphan debt in any non-associated multi-employer scheme.”

Amendment 5, in clause 8, page 5, line 41, after “scheme” insert “or scheme funder”.

The financial sustainability of the scheme funder must be taken into account when assessing a Master Trust scheme’s financial sustainability.

Amendment 6, in clause 11, page 8, line 1, leave out subsection (b) and insert—

“(b) either the only activities carried out by the body corporate or partnership are activities that relate directly to the Master Trust scheme, or if the body corporate or partnership carries out activities other than those defined as “restricted activities.””
This amendment allows for exceptions to the requirement that a scheme funder must only carry out activities directly relating to the Master Trust scheme for which it is a scheme funder.

Amendment 1, page 8, line 13, at end insert—

“( ) A minimum requirement of annual reporting of administration, fund management costs and transaction costs for each asset class, drawdown product and for active and passive asset management strategies.”

This amendment would introduce annual reporting and inclusion of transaction costs requirements for Master Trusts.

Amendment 7, in clause 10, page 7, line 23, at end insert—

“(6A) The Secretary of State may by regulations define “restricted activities” and these regulations must set out activities that a scheme funder cannot engage in to minimise risk of losses or liabilities which might deplete or divert its financial resources.”

This amendment makes provision for the Secretary of State to define “restricted activities” by regulation, including a list of specific activities restricted in order to minimise risk of loss by Master Trust scheme funders.

Amendment 2, in clause 22, page 16, line 28, after “employers” insert “and scheme members”.

This amendment ensures that scheme members are told of triggering events as well as employers.

Amendment 4, in clause 31, page 23, line 16, leave out paragraph (d).

This amendment removes the part that allows Master Trusts to halt making payments to pensioners in the event of a pause order.

Amendment 3, page 23, line 27, at end insert—

“(f) a direction that further contributions or payments to be paid towards the scheme by or on behalf of any employers or members (or any specified employers or members) are collected and held in a separate fund until the conclusion of the pause order;”

This amendment requires employers to hold onto employee and employer contributions pending resolution of the pause order.

Amendment 8, page 23, line 27, at end insert—

“(f) a direction that further contributions or payments to be paid towards the scheme by or on behalf of any employers or members (or any specified employers or members) are collected and held in a separate fund until the conclusion of the pause order.”

This amendment provides the Pensions Regulator with an alternative to stopping payments to the schemes under subsection 5(b) of a pause order.

Amendment 9, page 23, line 39, at end insert—

“(fA) The Secretary of State may by regulations set conditions on the terms of a separate fund used for purposes under section 5(f).”

This amendment is consequential to amendment 8.

Alex Cunningham: Generally speaking, this is a good Bill, and it goes a long way to properly regulating master trusts and looking after the interests of the pension scheme members. Sadly, it does not address the WASPI issue, which we raised on Second Reading and in Committee, as it has been ruled out of scope of the Bill. However, I am pleased to report that Stockton Borough Council backed the WASPI women. Tory councillors abstained on the vote, so clearly they are not very happy with the Government either.

There are a number of aspects of the Bill that could still be improved and that could better protect and inform scheme members. Sadly, after the Commons Committee stage, it was clear that we had failed to convince the Government of that, but having reviewed the Minister’s arguments we still believe that a number of issues need to be covered on Report this afternoon.

New clause 1 returns to the issue of a funder of last resort for master trusts. Contrary to the written statement from the Under-Secretary of State for Pensions, which we received on Monday, the removal of this clause is significant, and I was surprised that he felt that it was not. This new clause looks to ensure that, in the event of a master trust failing, there is a funder of last resort—somebody in place who guarantees that scheme members are not left out of pocket through no fault of their own. This would, in effect, act as a final underpinning of the promises that have been made to scheme members, giving them recourse to a legally established funding organisation committed to making good on scheme member dues. When this was debated in Committee, the Minister refused to back this most sensible of additions to the regulations of the Bill, arguing that it would place an unnecessary additional burden, that the new regulatory regime was sufficient to make the risk of collapse absolutely minimal, that existing master trusts would pick up any scheme members affected by their master trust failing, and that the Government were consulting the industry on the creation of a panel of white knights, who would commit to stepping in to ensure that all scheme members are protected.

I am glad that we have the Minister on record saying that there is no chance of a master trust going bust under the regulatory regime that this Bill creates. It is clearly a gamble that he is willing to take. Opposition Members are not prepared to gamble with people’s pension savings. In order to best protect scheme members, we need the strongest possible regulatory environment in place. Unlike the Minister, we are not content to leave things to chance.

We have support from the industry itself for these proposals. For example, the chair of the Standard Life Master Trusts has called on the Government to be the funder of last resort, because “their policy foul-ups have allowed the proliferation of unsustainable Master Trusts.”

It is interesting that the Minister plans for a panel of white knights. Does that suggest that he does accept that there is a chance that a master trust might slip through his regulatory regime and leave scheme members unprotected? If he does, why not go the whole way and put the proper guarantees in the Bill? There is simply no guarantee that another trust will choose to pick up one that is failing. Why would it? What obligation does it have and why would it be in its interests to do so? Yes, there have been a few pragmatic actions in this area, but nothing is guaranteed.

We all know that the pensions industry and the financial services industry have seen plenty of failures. Perhaps the Minister can tell us what happens if a large master trust fails and the data are in a mess and take months to cleanse before getting members transferred to a new scheme. We cannot simply hope that another trust will just pick that up. Instead, we must intervene now to ensure a proper back-up plan. The Government must prepare for the worst-case scenario, and nothing I have seen so far convinces me that Ministers are doing so.

We need a funder of last resort because we must be able to predict what could happen, even if there is only the slightest chance of it happening, and ensure that we have a plan of protection in place. I ask again: why will the Minister not provide people all over this country
with a 100% assurance that the Bill without this provision is enough to protect members. If he is to ignore our sensible new clause, he must guarantee that no master trust will be in a situation in which it has failed and has insufficient resources to meet costs. In the absence of greater clarity, it is essential that this new clause is in the Bill.

I now turn to new clause 2 and the issue of member-nominated trustees for master trusts. I remind the House that all the investment risk lies with the member and not the sponsor or the provider of the scheme, and they should therefore have representation at decision-making levels of the scheme. The Pensions Act 1995 introduced the requirement for company pension schemes to have member-nominated trustees. If the scheme’s sole trustee is a company, including the employer rather than individuals, scheme members will have the right to nominate directors of that company—member-nominated directors. The Pensions Act 2004 enshrined the right to have at least one third scheme member trustees of a trust-based scheme. The Pensions Regulator is clear that master trusts are covered by this legislation, which is why some already have member-nominated trustees. What the regulator offers in explanation is that there are exemptions that can be taken by master trust, giving the reasoning that having a pool of members greater than a single employer-based scheme poses problems of choice. We find that an inadequate reason for exemption. The greater the number of members, surely the bigger the pool of choice.

We do not agree that independent trustees can adequately represent the fiduciary interests of members if they have no stake in the investment process. What is more, they are paid and chosen by the master trust. This exemption seems like a convenient way of denying the right to representation by those who do have a material interest in the performance of the master trust. We have returned today with an amendment that seeks to give scheme members the law to which they should be automatically entitled. In these circumstances, my references to MNTs apply equally to MNDs.

The Association of Member Nominated Trustees is adamant that master trusts must be obliged to have member representation on their boards. However, it is no surprise that a master trust is lobbying against that. Such companies are mostly profit-making entities. However, it is in their own best interests that they have scheme member representation to win the confidence of the scheme members. The role of the MNT and the trustee boards is sometimes underplayed or undervalued. The Association of Member Nominated Trustees said:

“Members are particularly comforted by having an MNT presence for their scheme. It helps them to feel reassured their retirement interests are truly being met and understood most importantly, but also that they aren’t being ripped off in excessive costs and charges.”

They are the only ones who have no personal interest or gain; their only interests are those of the member. ShareAction also agrees that savers should be able to subject decisions made on their behalf to a healthy degree of scrutiny and challenge.

Ensuring effective governance for pension schemes remains a challenge. Although trust-based schemes benefit from a clear governing body in the form of the trustees, there is a clear absence of member-nominated trustees in the majority of master trusts. However, although some companies choose to operate a trust-based defined contribution scheme, most new auto-enrolled members will not find themselves saving into one. Instead, the vast majority of people will find themselves saving into a master trust or a group personal pension arrangement. In those schemes, member representation on governance boards is far more rare. At this point, I wish to refer back to the concerns that the Pensions Regulator made about master trust governance. In January 2013, said:

“We have identified a number of characteristics that, if present, may prevent these schemes from delivering good outcomes. These are: conflicts of interest as a result of the relationship between the provider and trustees; decision-making powers vested with the provider rather than trustees; a lack of independent oversight in some master trusts—unlike traditional occupational DC schemes, member and employer representatives are unlikely to be involved in important decision-making processes”.

Yes, the Bill may go some way to addressing these concerns, but it does not go far enough. We can build greater trust in the system; increase diversity and bring a range of different perspectives and experiences; and highlight areas that are of interest to members. Once again, we find no real impediment to this amendment. The law requiring master trusts to have scheme member trustees applies and exemption does exist, but that need not be required and should, in our view, be overridden.

Continuing with the theme of engaging with members, I will now address new clause 3. It requires that, one year on from the incorporation and registration of master trusts by the Pensions Regulator, the Government will fully review member-trustee representation, member engagement and annual general meetings for members.

The purpose of the new clause is to ensure that there is a review of the new master trust governance and member engagement processes. Pensions Regulator guidance stressed the importance of understanding and engaging with members to define objectives for the scheme and setting an appropriate strategy—for example, the TPR code of practice 13 on governance and administration of occupational trust-based schemes providing money purchase benefits.

TPR has stacks of advice on these issues for master trusts to follow, but we want a commitment from the Government that they will ensure that master trusts are operating in the interests of members and that the potential of a conflict of interest—in other words, the profit motive—does not get in the way. We need to make sure that there is an opportunity for experienced eyes to take a good look at the system a year after its creation. If there are risks, they must be accounted for. One way to do that is to form a Government inspection of the system.

I turn to new clause 4, which requires master trusts to hold an annual member meeting and sets out ways to ensure that members are properly given the opportunity to be involved. It is now common practice for pension funds to hold a meeting with members on an annual basis. Good member communications, provided at the right time and in an accessible format, are vital if members are to engage and make decisions that lead to good outcomes in retirement. In the Committee debate, the Minister suggested:

“Documents relating to the governance of a scheme, such as the trustees’ annual report, the chair’s statement and the statement...
Having to request information about what one is paying for is the wrong way round. Let us not forget that many master trusts are profit making, so members should be given information as a matter of routine and not by request.

An annual meeting for members ensures that trustees and administrators can be made human and accountable rather than being at some distant, bureaucratic and faceless place. Trustee boards should regularly review member communications and, when deciding on the format of communications, take account of innovations and technology that may be available to them and appropriate to their members. That would allow the more engaged members to hear a presentation from trustees and senior executives about how the scheme has managed their retirement assets over the previous year and what plans the scheme has to deliver strategy and manage risk into the future on behalf of members.

Pensions Regulator guidance accompanying its new DC code highlights AMMs as one way in which multi-employer schemes can stay close to members. Through the new clause, master trusts would be brought into line with normal practice in the corporate sector and among growing number of pension schemes.

I want to return at new clause 5 to the issue of groups currently excluded from master trust saving—specifically carers, the self-employed, those working multiple jobs and people on low incomes. As it stands, the Bill does not expand the successful auto-enrolment policy: that could have made a real difference to a number of groups who, the evidence suggests, are not saving adequately for their retirement. The Minister and I debated this issue in Committee, so I shall return to the issue only briefly.

As I recognised then, the Government have announced a review relating to the operation of auto-enrolment into master trust savings. Currently, however, the scope of that review is too broad, with few specifics set out to keep the Government to their word. The evidence speaks for itself: too many people are not putting enough away to guarantee the secure and dignified retirement that the Labour party has always worked to provide and continues to strive towards today.

Some 37% of female workers, 33% of workers with a disability and 28% of black and minority ethnic workers are not eligible for master trust savings through auto-enrolment, according to the latest DWP statistics. In Committee, the Minister suggested that gender equality was not an issue under auto-enrolment savings; I suspect that he may have been referring to the participation rate among eligible employees, which is fairly equal between genders. The statistics that I have cited, however, relate to those not eligible, and I believe women are over-represented. Perhaps the Minister can look again at the issue and write if he has evidence to the contrary.

On the specific groups, I would like to press the Minister on the issue of carers, who, as we know, make such a vital contribution to our society, public services and economy. In Committee, the Minister suggested that he would like carers to be included under the Government’s review of auto-enrolment, but accepted that they are not currently specified. May I push him to commit explicitly to including carers under the terms of the review now? I am sure that it would be of great comfort to our carers if they knew that their situation was being looked at specifically by the Government.

I turn to the self-employed, about whom the Government have recently had a lot to say—although I note that they have gone quiet about them in the past week. I wonder why. I was, however, pleased to hear the Minister confirm that self-employed people are included in his review. Similarly, it is good that those with multiple jobs are being included. I was interested in the Minister’s point in Committee that those earning more than £6,000 could access master trust savings and would be provided with the same support from their employer and tax incentives. Will the Minister perhaps write to me or address the House today clarifying the policy on this point? What are the Government doing to ensure that all eligible people are aware of this particular right under the law?

Those on low incomes will need to be addressed. I hope that the Government will go further than merely freezing the trigger threshold, as appears to be their current approach, and lower it to ensure that many more people are included in master trust saving.

I met representatives of Royal London last week and they asked why every pound earned is not taken into account for employee and employer contributions. Will the Minister also add that issue to his review? Share Action has also contacted me about auto-enrolment, saying “that many employees are saving at the minimum level and show little interest of emotional connection to their workplace pension fund, and therefore we believe the second phase of auto-enrolment needs to be focused on governance, choice and communication, getting people personally engaged with their pension savings”. Does the Minister agree?

Given the Minister’s responses on the expansion of eligibility for auto-enrolment, I fail to see why the Government would not accept the new clause. Should the Minister be committed to enfranchising these excluded groups into master trust savings? Why not make that intention clear in the Bill today?

I now turn to amendment 1, which applies not only to the Bill but to the whole industry: it is about transparency. Opening the Second Reading debate on the Bill, the Secretary of State said:

“Transparency is a key area. Hidden costs and changes often erode savers’ pensions. We are committed to giving members sight of all the costs that affect their pension savings.”—[Official Report, 30 January 2017; Vol. 620, c. 756.]

On that, the Secretary of State and I agree. I am pleased that he has put on the public record the fact that costs erode savers’ pensions. That is the line within the 2015 Dutch central bank report, which said:

“Investment costs are an important determinant of pension fund performance. High investment costs can significantly impact beneficiaries’ wealth and consumption, as they reduce the net rate of return on investments and subsequently raise the costs of providing pensions.”

Despite the Secretary of State’s statement and that of the Dutch central bank, the Government have resisted any attempt to do something about the situation, always promising that something will or may be done, but never doing very much.

The Government hide behind the issue of complexity, but they have already negotiated with the Investment Association the tools to deal with that. The only area of
pension funds that is ready to be analysed is those used by the local government pension scheme. The cost data are due to be collected this year by the scheme advisory board and endorsed by the Minister to ensure that they are delivering best value for sponsors and members alike.

The architecture to get, analyse and present the data is the same process of discussion with a view to being built and will form a platform from which other projects, including the value for money analysis needed for all workplace pensions, and that can be delivered. I believe that the Minister is a fan of this work, too, so I would hope that he and his Government would recognise that the easiest and most efficient way of ensuring that data for master trusts are collected is to adopt the LGPS-Investment Association cost template. That, after all, has been sanctioned by the Department for Communities and Local Government and the data points agreed with the Investment Association members, who in the main will be the same suppliers of asset management to the LGPS and master trusts.

The amendment’s purpose is to lay down the reporting obligations of master trusts. At the moment, they will report only on administration and asset management fees. All that the amendment requires is the additional reporting of the implicit costs, which could be found by using the LGPS template. The only obstruction to this process is the Government. The situation is contradictory: why have this arrangement in one section of our pension system and not in another? The Government are holding back scheme members from getting the best value. Employers, master trusts and independent governance committees cannot deliver under the current arrangements. There is nothing simpler than setting out a requirement for the reporting of explicit and implicit costs; it is the will to introduce the process that is the problem.

Members must be able to discern the impact of trading on their funds. In Committee, the Minister said:

“the bit of the FCA review that the hon. Members for Stockton North and for Ross, Skye and Lochaber mentioned in fact makes the point not that active fund managers have more costs, but that over a period of time there is not much difference in returns.”—[Official Report, Pension Schemes Public Bill Committee, 7 February 2017; c. 55.]

However, the FCA actually reported that it was comparing “the net return on a £20,000 investment over 20 years to show the impact of charges. Assuming, for illustrative purposes, that both funds earn the same return before charges (the average FTSE all share growth), an investor in a typical low cost passive fund would earn £9,455 more on a £20,000 investment”—an improvement of 24.8%—“than an investor in a typical active fund, and this number could rise to £14,439”—an increase of 44.4%—“once transaction costs have been taken into account.”

The FCA’s evidence is clear: investing in a low-cost passive fund delivers more return than investing in an active fund. That is why it is so important to change the reporting requirements of master trusts. We can look to the Netherlands experience: it is a requirement that all Dutch pension funds report on administration, fund management and transactions. The Society of Pension Professionals agrees with us that “the key is to make sure that the information given to consumers is sufficient to empower them, and provide customers with simple and objective comparisons to enable them to choose the best products and providers”.

The amendment would help the Government, master trusts and, most importantly, scheme members to match the best model in practice reporting.

Amendment 2 would also increase transparency and ensure that members are properly informed—in this case, if a triggering event affecting their pension is in place. In Committee, the Minister replied to the amendment with the assumption that members are passive recipients of the process. He said:

“Remember, many members do not take an active decision to join; they join through their employer. They are not actively engaged in the scheme; their employer is the conduit.”—[Official Report, Pension Schemes Public Bill Committee, 7 February 2017; c. 63.]

Such a paternalistic approach does our citizens a disservice. The Government reject all attempts to reform the Bill to make it more member-focused. That approach labels members as passive recipients, not engaged participants. The Government’s policy is to place responsibility on the individual to take care of their pension provision, yet they seem to be standing in the way of members being given the information and representation that would allow them to make informed decisions. Why is the Government’s policy so contradictory?

The member’s pension pot is theirs, not the employers, so they should, by rights, have natural justice and be informed. In the amendment, we simply seek to ensure that the information on triggering events flows through the communication chain when those events happen, and if and when they are resolved. If members found out only at second hand that such an event had happened—an event that affected their hard-earned cash—that would be bound to result in lower levels of trust. How would hon. Members feel if no one told them there was an issue over their pension pot? This is a simple chain of events; if the information can go to employers, it should go to members too, and there is no good reason for that not to happen in this electronic age.

I would now like to turn to amendment 4, on pause orders, which are also very much about responsibilities to pension scheme members. A pause order is put in place by the Pensions Regulator if it is satisfied that making an order will help the trustees to carry out their implementation strategy or if there is an immediate risk to the interests of scheme members or to the scheme’s assets.

In Committee, Labour Members submitted an amendment on pause orders, because we felt there was nothing to protect pensioners in the event of a master trust being paused. I gave the example of a hypothetical but potentially very real elderly woman who relied on her pension from a master trust and who had little income without it. A pause order can last up to six months, and the master trust can opt not to pay out pensions—that is potentially six months during which elderly and vulnerable people would have to find alternative means to survive. That is not acceptable.

I also referred to the likely circumstance where our elderly woman has not even been informed of the pause order because there seems to be no requirement for anybody to inform her. I put a question to the Minister
on this matter in Committee, due to the lack of clarity. I was grateful for his reply, in which he said that existing legislation ensures that the regulator will notify any person who is to be directly affected by regulatory actions exercised through the regulator’s statutory internal procedures. I hope he will clarify today exactly when a scheme member would be informed in those circumstances.

It is appalling that pensioners are being denied access to their own pension money in such circumstances. I have been assured that members’ pots are protected in this situation, even in the event of a pause order. If that is the case, why would master trusts be unable to continue making payments to pensioners, who may be vulnerable and reliant on a regular payment from their pension pot? It is bizarre that the Government are so calm about the potential repercussions on the vulnerable if payments are stopped.

The Minister has also said that the stopping of payments would happen only in the rarest of circumstances. I hope he will take this opportunity to tell the House what those circumstances could be, and that he will provide scheme members with the assurance that they would not lose out during a pause order. Labour would go further by amending the clause and insisting that pensioners were still able to receive their payments.

I have submitted a completely new amendment 3 because I am concerned that the pausing of payments into the scheme under a pause order is fundamentally against what auto-enrolment sought to achieve. As it stands, the Bill would mean that if a pause order had been put on a master trust, the trust would no longer receive contributions from the employer or employee.

I note there is a similar amendment from the SNP, and I believe we are trying to achieve the same things. [Interruption.] I do not think I am trying to achieve the same things at the moment, as SNP Members are chatting among themselves, but I can assure them that we are trying to achieve the same things on pause orders.

While I agree that the master trusts will be in no fit state to continue taking contributions, I do not agree that, as a result, members will simply get their contributions back into their pay packet and employers will be let off making their contributions. Our amendment would ensure that, despite the pause orders being in place, the contributions made by the employee and the employer would not be lost. That is particularly important for low earners, when a potential six-month pause order could see them lose out on important and vital contributions. At this point, the Minister may be thinking that a pause order is unlikely to last six months, but it can.

Our amendment proposes that, in the event of a pause order, the employer will retain the contributions they would have made, and the contributions the employee would have made, until the pause order is lifted. It may be argued that the contributions the employee would retain could be saved by the individuals themselves, but the pot would still be without the pension contributions from the employer. Why, through no fault of their own, should the employer lose those contributions to their pension? Does the Minister agree that workers should not lose out on employer contributions during a pause order? I am concerned that if we do not put measures in place to actively protect people, even with the smallest chance that something might go wrong, we will have failed them.

In conclusion, I am concerned that a lack of transparency in the scheme is a problem, and that that problem lies with insurance companies and master trusts. I am concerned about the low paid; the person with multiple jobs; women; people under 22; carers; and the self-employed, who have not been looked after by this Bill. I am concerned that the Government have removed the funder of last resort clause, which the Labour Lords succeeded in putting into the Bill. These are all issues that, I assure the Minister, we will continue to debate. However, for now, I look forward to his response to the new clauses and amendments I have highlighted.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I rise to speak to new clauses 6 to 9 and amendments 5 to 9. I am disappointed that new clauses 10 and 11 were not selected for debate.

2 pm

There is much in this Bill that I would commend. It rightly introduces regulation for master trusts and will help to shape confidence in pensions, particularly for auto-enrolment. In Committee we sought to work constructively with the Government to bring forward new clauses and amendments to enhance the Bill as well as to deal with other shortcomings in the pensions landscape appropriate to the Bill. The Minister knows that my approach to the landscape of pensions and savings is to work constructively where we can to encourage consumer participation. Although there is much else in the field of pensions that I would like to see enhanced and on which greater clarity should be delivered, I congratulate the Government, and particularly the Minister, on bringing forward this Bill.

The Bill builds consumer protection for master trusts and is an important step forward in enhancing the appeal of auto-enrolment. We will be reviewing auto-enrolment later this year, but it is important that we the opportunity of this proposed legislation to make sure that we have the appropriate regulatory steps in place. I urge that when we review auto-enrolment we look positively at how we can substantially take it forward for part-time workers who have been excluded—many with multiple jobs, particularly women, as well as the self-employed—charting a way forward that builds pensions entitlement, hopefully in a way that builds consensus, and perhaps avoiding the screeching U-turn that we saw from the Minister's colleague, the Chancellor of the Exchequer, in recent days.

This is a serious subject, and this Bill should be seen as part of a wider debate as to how we increase pension savings, building trust in the pensions savings industry. I was struck to read in the Government’s Green Paper on defined-benefits schemes published last month that the average DB scheme payment is as little as £7,000 per annum. We also have a research paper from Met Life this week highlighting income challenges threatening pension freedom, as well as a paper from the Centre for Policy Studies that raises, among other issues, challenges around drawdown.

It is clear that collectively there is more to do to encourage trust and confidence in pension savings—in particular, that all are encouraged to save at an appropriate
level to secure dignity in retirement. On that basis, SNP Members will work constructively with the Government on this agenda. In the meantime, the Bill is a welcome step forward. I hope in that spirit of engaging positively the Minister will give careful consideration to the new clauses and amendments that my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black) and I have tabled. They should be seen as seeking to improve the Bill; they are not in any way, shape or form wrecking amendments.

New clause 6 makes provision for the Secretary of State to restrict exit fees paid by master trust scheme members. It is not clear to us why master trust members should have to pay any exit charges. It is welcome that the Government are placing a 1% cap on exit fees for current members, with no exit fee for new members, but why the threat of exit fees for existing members? Large fees have been charged on exit on the past, and it is clear that we need to protect savers. I asked the Minister to confirm at earlier stages that there would be no exit fee for an individual leaving a master trust. He responded that when a master trust was closing it could not levy a charge, but I would appreciate it if we could make it explicit in all cases that fees should not be levied.

New clause 7 would require the Secretary of State, by regulations, to make provision to amend section 75 of the Pensions Act 1995 in order to protect unincorporated businesses that are at risk of losing their personal assets, including their homes. New clause 8 would require, within six calendar months from the day on which this Act comes into force, that the Secretary of State must conduct a review of the actuarial mechanisms used to value pension scheme liabilities under section 75 of the Pensions Act 1995. New clause 9 would compel the Secretary of State to, by regulations, exclude from the calculation in section 75 of the Pensions Act 1995 the orphan debt in any non-associated multi-employer scheme.

These new clauses would help to deal with the current issue facing plumbers in Scotland. Plumbing Pensions (UK) Ltd was established in 1975 to provide pensions for the plumbing and heating industry UK-wide. The scheme is managed by a group of trustee directors appointed from nominees of the Association of Plumbing and Heating Contractors in England and Wales, the Scottish and Northern Ireland Plumbing Employers Federation, and Unite the union. The scheme has over 36,000 members and assets in excess of £1.5 billion. Under section 75 of the Pensions Act 1995, employers can in certain circumstances become liable for what is known as a section 75 employer debt. The debt is calculated on a “buy-out” basis, which tests whether there would be sufficient assets in the scheme to secure all the members’ benefits by buying annuity contracts from an insurance company. Legislation specifies that a section 75 employer debt becomes payable when the employer either becomes insolvent, winds up, changes its legal status, or ceases to have any active members in the scheme. While we must be mindful that the purpose of these rules is to protect pension benefits, the way in which they are currently framed creates problems for some stakeholders. We are sympathetic to the concerns raised by SNIPEF.

Mhairi Black (Paisley and Renfrewshire South) (SNP): Does my hon. Friend agree that it is because of such examples as he has touched on of unincorporated businesses at risk of losing personal assets that it is so pertinent that the Government bring forward the solution right now rather than wait for the opportunity to pass?

Ian Blackford: I am grateful to my hon. Friend, who is absolutely right. These are complex issues. That is why we make the suggestion that we are willing to work with the Government on this. We have to find a solution to this because at the end of the day ordinary people who have done the right thing could now be faced with losing their house, and that cannot be right. This issue has to be resolved.

There are a number of options for the UK Government to consider but each one has complications for the pension schemes, employers and scheme members. We urge the Government to weigh up the interests of employers with the need to protect benefits for pension scheme members. The former Pensions Minister in the other place, Baroness Altmann, indicated that she would look closely at how a solution could be reached to this complex issue. We need the same assurances from the Minister that he will work to find a solution for the industry and use this Bill to bring forward a solution.

SNIPEF’s four objectives are to achieve an amendment to section 75 debt legislation, as its main concern is for those involved in the unincorporated businesses that my hon. Friend mentioned who are at risk of losing their personal assets including their homes. It wants the Government to conduct a review of the actuarial methods used to value pension scheme liabilities, as it believes that the calculation of section 75 employer debt on a full annuity buyout basis is inappropriate and detrimental to non-associated multi-employer schemes given current economic conditions. It argues that orphan debt in any non-associated multi-employer scheme should be excluded from the calculation of section 75 employer debt. It suggests that provided the scheme is deemed to be prudently funded, the PPF acts as guarantor of last resort for orphan liabilities. It also believes that any changes in legislation should apply retrospectively to all employers from 2005. It would be helpful to get the Government’s view on this request. SNIPEF recently met the Minister, and it has advised SNP MPs that he confirmed that the objectives may have been incorporated within the Green Paper. We are now interested to hear the Government’s view as to whether they have identified a solution.

I want briefly to make passing reference to my two new clauses that have not been selected for debate, and signal my disappointment about that. New clause 10 would require the Secretary of State to identify support for women affected by the changes to the timetable for state pension age equalisation. We are disappointed that a pensions Bill has not been brought forward to deal with the pressing injustices within the pensions system.

Mhairi Black: Does my hon. Friend agree that by missing this opportunity the Government are wilfully ignoring it, much like they are ignoring the WASPI women themselves?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We do not discuss new clauses that have not been selected. We have to deal with what is before us and that is the
new clauses on the selection list. I know that the hon. Gentleman wants to stay in order by dealing with those, not those that have been omitted.

Ian Blackford: Thank you, Mr Deputy Speaker; I am happy to receive the guidance that you have given me. I simply wanted to put on record that we had missed the opportunity to debate the measures today. I know that we will have the opportunity to raise these two issues again, so I will skip on without making any further reference to them.

The SNP believes that we need to look holistically at the problems inherent in the system and build on opportunities such as auto-enrolment. Only by giving pensions thoughtful consideration can the Tories get this right. With alarm bells ringing about the injustices facing the WASPI women, and concerns that we could see another hike in the state pension age, even the idea that the Government are contemplating reviewing the triple lock post 2020 is deeply troubling. If I may say so, we know that only by delivering an independent Scotland can the SNP deliver dignity in retirement.

I turn to amendment 5, which would mean that the financial sustainability of the scheme funder had to be taken into account when assessing the financial sustainability of a master trust scheme. The Association of British Insurers has told us that insurance companies already hold a very significant amount of capital under the European regulatory framework for insurance, solvency II. In our view it would not be reasonable, nor is it necessary, for insurers to be required to hold separate or additional capital on top of that to meet their new obligations as master trust providers under the Bill. We would like to hear assurances from the Government that insurers will be exempt if they already adhere to FCA and PRA regulatory and financial sustainability requirements.

Amendment 6 allows for exceptions to the requirement that a scheme funder must only carry out activities directly relating to the master trust scheme for which it is a scheme funder. Amendment 7 makes provision for the Secretary of State to define “restricted activities” by regulation, including a list of specific activities restricted to minimise the risk of loss by master trust scheme funders. Through these amendments, we acknowledge that there may be circumstances in which the scheme funder requirements in the bill should not apply. The amendments state that the requirements need not apply to firms whose activities are already restricted by virtue of existing regulation.

The ABI has said that, in particular, the Prudential Regulation Authority rules mean that insurance activities of the scheme funder that are not directly related to the master trust scheme are transparent and do not threaten the solvency or sustainability of the master trust. The ABI says:

“This is a sensible and pragmatic approach”.

It would be useful to understand what additional requirements will need to be met for firms to be exempt from the scheme funder requirements. It would also be helpful to gain an assurance that the Government are considering working with the industry throughout the development and consultation process for the regulations.

Amendments 8 and 9 provide the Pensions Regulator with an alternative to stopping payments to the schemes under section 5(b) of a pause order. Amendment 9 is consequential on amendment 8. The Bill creates a new power enabling the Pensions Regulator to make a pause order requiring certain activities to be paused once a trust has experienced a triggering event. That includes accepting new members, making payments, accepting contributions and discharging benefits. The TUC is concerned about the impact of a pause order on a member’s savings because there are no mechanisms in place to allow ongoing contributions to be collected and held on behalf of a saver. We contend that it is unacceptable for a member to be penalised, and in effect to lose wages in the form of employer contributions, because of events out of their control. The Society of Pension Professionals has said that it will be necessary to ensure that the period of effect of a pause order cannot start before the trustees actually receive notification of the pause order. That would mean that any contravention could occur only after the trustees are were receipt of the order. Without this, they argue the trustees could be in breach of a pause order, through no fault of their own, if a direction is not complied with during the period between the date on which the regulator makes the order and the date on which the regulator notifies the trustees of it—for example, if new members joined the scheme in that period contrary to a direction under clause 32(5)(a).

The Government should clarify whether they intend to take action to protect savers now, as we are disappointed that our amendments were defeated at earlier stages. I look forward to hearing the Minister respond. We have sought to work constructively with the Government to enhance the Bill, which we broadly welcome. We affirm our position of wishing to work with the Government where we can to create an environment in which workers can have faith and trust in pension savings.

We should all desire to develop a landscape in which pension saving is encouraged, allowing us to ensure that all our pensioners—from both their own provision and the state pension—have dignity and security in retirement. The Bill helps us along that road, as far as the regulation of master trusts is concerned. There is more to do to enhance auto-enrolment, and I look forward to working with the Government to take steps to include those who are currently excluded from pension savings, particularly the self-employed and many part time workers, especially women.

In closing, although I welcome the Bill, I reflect on the fact that it was necessary for me to put down a prayer last night on frozen pensions after the Government again brought forward a statutory instrument to freeze the pensions of hundreds of thousands of British pensioners who are being denied their full rights. In pushing the measure through, the Government have denied Members of this House the right to debate the matter. I encourage all hon. and right hon. Members to sign early-day motion 1097. I hope that if we can, as I believe we can, demonstrate broad cross-party support against this measure, the Government will have the grace to bring forward a debate on this matter before recess. This early-day motion has already been signed by Members from six parties, including the Government party. I encourage them to listen to us on this matter, as part of proceedings on the Bill.

2.15 pm

The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): I thank the hon. Member for Stockton North (Alex Cunningham), from Her Majesty’s loyal Opposition, and the SNP spokesman, the hon.
[Richard Harrington]

Member for Ross, Skye and Lochaber (Ian Blackford), for their amendments. I hope that everyone who has followed the debate in this House and in Committee will agree that the Government’s attitude has not simply been to oppose all amendments for the sake of it. I give hon. Members my word that everything has been considered. It is the Government’s job to consider the lobbying from the sorts of organisations that the hon. Member for Stockton North mentioned. I have met representatives of most of them, as I am sure the hon. Member for Ross, Skye and Lochaber has done. It is the Government’s job to weigh up everything and make a decision.

I am really quite disappointed by the fact that today, we are almost exclusively revisiting the amendments we debated in Committee. My arguments remain unchanged, although that does not mean that I am going to sit down and ignore the contributions of the previous speakers.

Alex Cunningham: Feel free to do so.

Richard Harrington: I do not think that that would be the correct thing to do. I intend to go through the amendments in detail and answer some of the questions that have been asked in good faith; I will try to answer them in the same spirit.

New clause 1, tabled by the hon. Member for Stockton North, is about the scheme funder of last resort. It has been discussed in the other place and extensively in Committee, and my officials and I have given it a lot of consideration. It would principally require the Secretary of State to establish a funder of last resort to meet the costs associated with the transfer of members out of a master trust should a triggering event occur. On the surface, the argument seems compelling. I met Baroness Drake and others in the other House before the Bill came to this House. I considered the proposal with a very open mind, and I thought that it was the most significant of all the points that were made. I want to place on record the fact that the contributions from noble Lords, across parties, have been very useful. I pay tribute to Baroness Drake, with whom I have discussed this several times. There are honourable disagreements, however, in which neither position is ridiculous. In the end, Government have to decide. That is why I cannot give the Opposition the comfort for which they ask.

The whole purpose of the regime introduced by the Bill is to mitigate the very risk about which the hon. Member for Stockton North is concerned. He is right to be concerned about it. Various clichés have been used at various points in proceedings on the Bill, usually involving nuts, sledgehammers and other such things. I would prefer to say that it is a question of being proportionate, or not being disproportionate. I think that that sums it up.

Before a master trust is authorised, the Pensions Regulator has to have been convinced it has sufficient funds to meet the cost of a triggering event. Remember, Mr Deputy Speaker—I am sure you do, as you remember everything—that this does not involve pensioners’ money, but the scheme or organisation running the fund. The Pensions Regulator must ensure that the organisers of the trust have sufficient funds to meet the cost of a triggering event. Should it fail, it will have the money to transfer out to another scheme. The regulator will monitor the situation on an ongoing basis to ensure the funds remain available.

Currently, the market is responding well to deal with existing master trusts that wish to exit before authorisation. The threat of the regulation in the Bill is making smaller master trusts consider whether they wish to part of this new regulated world. Several master trusts have already left the market in an orderly fashion. The regulator is confident that currently there are none that could not afford to transfer out members. That is very important and I hope the hon. Member for Stockton North will take that into consideration when deciding whether to press the new clause to a Division.

We are working with the regulator on non-legislative measures to address concerns about potential liabilities of trustees and receiving schemes that might arise if the record of a master trust in wind-up is poor. Hon. Members should be aware that we have a system of regulation precisely to ensure this does not happen. I view in a different way a survey I believe the hon. Gentleman mentioned in Committee from Pension Professional, which found that 50% of those surveyed did not want a scheme of last resort, as opposed to 31% who said they did. He mentioned Standard Life’s view. I accept that it is the view of industry players that they would much rather the Government do it with it—that is natural; if I were in their position I would too—but we have spoken to institutions and people involved in auto-enrolment, master trusts and so on, and my clear impression is that plenty of players would bite their hand off for any schemes they could get hold of. From their point of view, taking on members involves very little cost because they are already set up and running the schemes. They seem desperate to take on these schemes.

Alex Cunningham: The Minister is taking great comfort from existing measures, but there is still no 100% guarantee that there will be somebody to pick up the costs in the event of a trust failure. We could see a new trust go through the authorisation process but still fail through bad management, mismanagement, fraud or whatever. Who will pick up the pieces in that situation?

Richard Harrington: We have to deal with the reality of the situation; that is not happening. Yes, anything could happen. We all know in life that things happen. Parliament deals with things that happen that no one expects. As the Minister with responsibility for pensions, I am convinced that in the view of the industry, the regulator and the types of institutions that would willingly take on failing master trusts, there is no need for the Secretary of State to have in his desk-drawer armoury the money or the weapons to deal with it. This is a problem that really does not exist.

The hon. Gentleman says it is all left to chance. Well, it is not left to chance. We have a finite number of master trusts that exist now thanks to the support of the Government and the Opposition for the Bill, which I hope will be enacted as quickly as possible—I think everybody wants that—so it is a finite problem. I am not an accountant, but it is not a contingent liability that could happen in years to come. Hopefully, within two years a clear regulatory system will be in place and the regulator has made very clear what trusts exist. We have taken quite a lot of care to ensure that this will not happen. I feel that the measures suggested in the new clause are totally disproportionate to the problem. For those reasons, I urge the hon. Gentleman to withdraw it, although I do not believe he will. /Interruption./ I am
pleased to see that at least I have served to amuse Opposition Front Benchers.

New clauses 2, 3 and 4 stand in the name of the hon. Member for Stockton North and relate to member engagement. In Committee, in earlier debates and in conversations both on and off the record and in general to everyone who is concerned, I have made it clear, as hon. Members would expect me to do, that member engagement is important and that members should be encouraged to develop a strong sense of ownership in their pension savings. However, I remain of the view that the new clauses are unnecessary. I know that the hon. Gentleman is expecting me to say that, because we have discussed these points before.

My main rebuttal would be to remind the hon. Gentleman that the majority of master trusts are subject to the rules on trustees and the regulations of governance. Those regulations require that the schemes must have at least three trustees, and the majority have to be independent to provide services to the scheme. I agree that there must be an open and transparent appointment process for recruiting independent trustees, but current arrangements ensure that members have access to appropriate information to make decisions about their pension scheme. Those include a mandatory annual benefit statement; for most members, a statutory money purchase illustration, which gives them a projection of their pension in retirement. The hon. Gentleman says it should not be done on request, but it is available—that includes the trustees’ annual report, the chair’s statement and the statement of investment principles. The Pensions Regulator publishes guidance for trustees on communicating effectively and transparently with members.

I remind Members that all trustees have fiduciary duties and other legal requirements. Some master trusts are developing innovative ways of engaging with their members without the need for over-prescriptive statutory requirements, many of which—I say this respectfully—are of a different era, including holding general meetings that mean that people are expected to travel all over the country and everything like that.

I wish to discuss quickly the points made about the auto-enrolment review. In summary, the purpose of the review is precisely to discuss the points raised by the hon. Member for Stockton North. We are looking extensively at including self-employed people and people on lower incomes. He mentioned carers, so I should point out that all carers who are employed are now treated exactly the same as other people who are employed. If they fit the criteria, they will not be. I would not exclude looking at everything else, but the review is far broader than is required under the law.

The hon. Member for Ross, Skye and Lochaber tabled new clause 6, and wants to introduce a power to regulate so that exit charges can be capped. As I have said, the power already exists, because we intend to use schedule 18 to the Pensions Act 2014, as amended by clause 41 of the Bill, alongside existing powers, to make regulations to cap or ban early exit charges in occupational schemes, including master trusts. Existing members of occupational schemes who are eligible for pension freedoms will have charges capped at a maximum of 1%. It is not fair to exclude all charges, because there are costs involved in exit.

New clauses 7, 8 and 9, which were introduced as eloquently as ever by the hon. Member for Ross, Skye and Lochaber, are designed to make changes to the provisions in the Pension Act 2014 that address the issue of employer debt in defined-benefit schemes. As he said, I have met representatives of the plumbers UK scheme; stakeholders generally, employers and employees. Let me make it clear that the issues are raised in the Green Paper on security and sustainability in our defined benefit pension schemes, and there is a roundtable of representatives from the relevant schemes precisely to look at what changes to legislation might be needed.

It is a complex and technical problem, but there is no perfect solution, because each involves one of three parties taking responsibility for the debt: working members, retired ones and the PPS. Each has its own problems, but I give the hon. Member for Ross, Skye and Lochaber my word on this, and I congratulate him and his party colleagues on the work they have done on this issue. There is no need for fears; we will make progress. I trust that the hon. Gentleman will therefore not press the new clauses.

We dealt in Committee with the minimum requirement for annual reporting on administration and so forth, but we shall have to agree to disagree on this. We are committed to making regulations requiring information on charges and transactions costs to be provided to Members and to be published in the course of this Parliament. We will consult this year on the publication and disclosure of such information to members. We are consulting only on how rather than if we will require disclosure. I read the Financial Conduct Authority’s asset management markets study, and I sometimes think that the hon. Member for Stockton North and I are probably the only people who have read it in full detail. I fully commend it, as I have told the FCA, and we fully intend to take action on this matter. In short, the Government already possess the necessary primary powers and are well on the way to achieving the hon. Gentleman’s stated purpose, so I urge him to withdraw the amendment.

Amendments tabled by the hon. Member for Ross, Skye and Lochaber deal with scheme funder requirements. I listened carefully to what he said. He adds to the requirement in clause 8 for the master trust scheme to have sufficient financial resources for the scheme funder, but that is not required because the regulator’s assessment already has to take into account matters to be specified in regulations, which will include insolvency risk, the enforceability of any funding commitment and whether the scheme funder is subject to any prudential capital requirements. I do not believe that we need to expand the range of activities beyond that. Amendments 6 and 7 would expand the range of activities that a scheme funder can undertake by allowing it to carry out any activities apart from those that are restricted. The Government amendments tabled in Committee mean that the scheme funder is no longer restricted solely to activities relating to the master trust. I remind the hon. Gentleman—he has mentioned the Association of British Insurers—that the ABI “welcome the cross-party consensus of the need to address the issue and the common-sense approach the Government has taken to reflect its concerns”.

In short, these amendments are not needed, so I very much urge the hon. Gentleman not to press them.

Amendment 2 would require the trustees to notify scheme members that a triggering event has occurred and of other information to be set out in regulations. I am sure you are aware, Mr Deputy Speaker, that a triggering event is a change in circumstances that poses
a risk to the scheme. I accept the importance of informing members well ahead of anything that directly impacts on them. Trustees can inform members at the point of the triggering event, if they judge that this is appropriate. The Bill already requires that if the scheme does proceed to wind up, it must inform members. I feel that the amendment is well-meaning but inappropriate. It could be costly and it could frighten members for no reason, because the system of requiring them to be informed later in the process is already in place. Once again, I ask the hon. Member for Stockton North not to the amendment.

I do the same with respect to pause orders, which were mentioned by both the hon. Member press, for Stockton North and for Ross, Skye and Lochaber—it seems that I have mastered the name of that constituency by Report, which goes beyond the call of duty. The amendments would require the contributions that cannot be paid into a master trust in the interim period to be held by the employer in some sort of special account. Here I am talking about the amendments tabled by the hon. Member for Ross, Skye and Lochaber—and I said that in one sentence.

Amendment 4 tabled by the hon. Member for Stockton North removes the provision to halt payments to members from a scheme during a pause order. Let me make it clear that the Government’s position is that employees should retain the contributions made during a period, and receive a refund from their employer if those contributions have already been deducted but cannot be paid over to the scheme. We have been clear and everyone agrees that this is a rare and time-limited situation, which has a low risk of occurring, yet quite a big burden would go with it.

Alex Cunningham: On payments made during a pause order, I was referring to payments from the pension. I was talking about the payment of pensions, not the refund of contributions to the employee.

Richard Harrington: I thank you for that clarification. No, I do not thank you, Mr Deputy Speaker; I thank the hon. Member for Stockton North. The trustees can decide—they have to decide—when they wish to notify members of the pause order; it is not like it does not exist. I remind the hon. Gentleman that the Pensions Regulator can direct the trustees to notify the members at any time if they deem it necessary. That is a really important point. The power is already there; it is not as if it is going away.

With all that said, I hope that I have considered the amendments carefully. I hope that I have made effective arguments and that the hon. Member for Stockton North will not press his amendments.

I am satisfied that the Bill has been improved by amendments made in Committee—largely, I would like to say, in response to Opposition arguments. Once the Bill becomes an Act, I believe it will provide effective protection for the millions now saving in master trusts, largely as a result of the success of automatic enrolment. I hope that this House will be content to leave it unamended today.

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

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am now going to suspend the sitting. The House is now suspended, but please wait here.
suspension and that the Chamber should remain in lockdown until we receive advice that it is safe to go back to normal procedures.

Mr Deputy Speaker: I am not going to enter into debate at this stage. I just wanted to make sure that people were informed as to why we are in here and in lockdown.

Valerie Vaz (Walsall South) (Lab): May I just thank you for that, Mr Deputy Speaker, and thank the Leader of the House for his statement? Our thoughts and prayers are with the police officer. I thank the police, all the security services and all the staff for looking after us so well.

Mr Lidington: I am grateful to the hon. Lady. I think that those sentiments will be shared without reservation in all parts of the House.

Mr Deputy Speaker: We remain suspended until further notice.
Oral Answers to Questions

DEPARTMENT FOR INTERNATIONAL TRADE

The Secretary of State was asked—

Medical Research and Development (Israel)

1. **Bob Blackman** (Harrow East) (Con): What steps he is taking to strengthen the trade relationship in medical research and development with Israel.

**Dr Fox**: The United Kingdom and Israel have a strong and important trading relationship, with nearly £5 billion in bilateral trade last year. We will continue to liaise closely on strengthening our trading links, including in important sectors such as medical research and development. The Life Sciences Organisation within the Department for International Trade currently supports companies wishing to export to Israel from the earliest stages of research and development through to manufactured medicines and medical devices.

**Bob Blackman**: I join you, Mr Speaker, and my right hon. Friend the Secretary of State in expressing sincere condolences to the victims of the terrible atrocity yesterday, and particularly to the family of PC Keith Palmer, who died so that we can carry out our democratic duties.

I thank my right hon. Friend for his answer. Companies in the Israeli economy are responsible for more than 100 million prescription drugs consumed in this country every year, and one has recently launched the ReWalk device, whereby people are encouraged to develop. Will he set out what further plans he has to ensure that we benefit from Israel’s pharmaceutical industry?

Dr Fox: What we have in common with all terrorist attacks is the fact that such acts of savagery against the innocent can never be justified or excused by creed or by politics.

**Tom Brake** (Carshalton and Wallington) (LD): May I echo the opening words of the Secretary of State and indeed the condolences that have been expressed for the police officer and the families of others affected by this tragedy?

The world-leading Institute of Cancer Research in the London borough of Sutton already does a lot of work with Israel. Can the Secretary of State confirm whether the post-grads who work at the institute, a third of whom come from the European Union, will be able to carry on working in those projects for years to come?

Dr Fox: The Government have already made it clear that the United Kingdom wishes to see an early resolution on the status of EU citizens. Those who collaborate with our research institutes do so on the basis of the current negotiations. The latter decision will be part of our negotiations. We have made it clear that our intention is to roll over in full the trading agreements that the EU currently has with third countries. That will include Israel, on the basis of the current negotiations.

**Mrs Theresa Villiers** (Chipping Barnet) (Con): In his trade discussions with the Israeli Government, will the Secretary of State convey the House’s sympathy for and solidarity with Israel, which has so often suffered the same kind of terrorist attack as we suffered in this House yesterday?

Dr Fox: The latter decision will be part of our negotiations. We have made it clear that our intention is to roll over in full the trading agreements that the EU currently has with third countries. That will include Israel, on the basis of the current negotiations.

The United Kingdom and Israel have a strong and important trading relationship, with nearly £5 billion in bilateral trade last year. We will continue to liaise closely on strengthening our trading links, including in important sectors such as medical research and development. The Life Sciences Organisation within the Department for International Trade currently supports companies wishing to export to Israel from the earliest stages of research and development through to manufactured medicines and medical devices.

The world-leading Institute of Cancer Research in the London borough of Sutton already does a lot of work with Israel. Can the Secretary of State confirm whether the post-grads who work at the institute, a third of whom come from the European Union, will be able to carry on working in those projects for years to come?

Dr Fox: The Government have already made it clear that the United Kingdom wishes to see an early resolution on the status of EU citizens. Those who collaborate with our research institutes do so on the basis of the quality of the research, and I am sure that that will continue.

Trade Facilitation Agreement

3. **Sir Henry Bellingham** (North West Norfolk) (Con): What assessment his Department has made of the effectiveness of the WTO trade facilitation agreement.

Dr Fox: The latter decision will be part of our negotiations. We have made it clear that our intention is to roll over in full the trading agreements that the EU currently has with third countries. That will include Israel, on the basis of the current negotiations.

The world-leading Institute of Cancer Research in the London borough of Sutton already does a lot of work with Israel. Can the Secretary of State confirm whether the post-grads who work at the institute, a third of whom come from the European Union, will be able to carry on working in those projects for years to come?
4. **Suella Fernandes** (Fareham) (Con): What assessment has his Department made of the effectiveness of the WTO trade facilitation agreement.

**The Secretary of State for International Trade and President of the Board of Trade** (Dr Liam Fox): The World Trade Organisation agreement on trade facilitation entered into force on 22 February 2017 once two thirds of WTO members had accepted the new agreement. This is a very significant event. Once fully implemented, the agreement could add more than £70 billion to the global economy, and of that we expect a benefit to the UK of up to £1 billion.

**Mr Speaker:** I should say for the benefit of the House, because there was a quizzical air in the Chamber, that Question 2 was withdrawn. That is a situation which is not dissented. I can see that the hon. Member for Weaver Vale (Graham Evans) is in his place, but the question was withdrawn.

**Sir Henry Bellingham:** I am very grateful to the Secretary of State for the work he is doing to try to secure a bespoke trade deal, and to his Ministers for the work they are doing as well. We do not want to fall back on WTO rules, but, if we did, what would happen to airlines, digital data flows and trade and services?

**Dr Fox:** There is a difference between some of the agreements mentioned, which are bilateral agreements, and WTO tariffs that largely apply to goods. We hope to get a comprehensive agreement with our European partners across all the sectors that my hon. Friend mentions so that we will see no interruption to the business as we have it today.

**Suella Fernandes:** The WTO trade facilitation agreement’s coming into force last month brought about great reforms such as reducing fees on imports and exports and quickening clearance procedures. What impact will the reforms have on UK businesses that are importing and exporting?

**Dr Fox:** UK exporters in particular will benefit from the customs reforms being introduced, and implementing the agreement will reduce delays at the borders of participating members and improve the trading environment for businesses engaging in international trade, making it easier and cheaper for UK businesses to export their goods across the globe.

**Jim Shannon** (Strangford) (DUP): May I associate the Democratic Unionist party with the sentiments that have been expressed for the innocents who were murdered yesterday? Our thoughts and prayers are very much with those who were injured.

With the initial period of this agreement now under way, will the Minister determine how we can enhance and further build capacity in this area? Does he believe that lessons learned here can and will affect our approach to Brexit, trade and negotiations?

**Dr Fox:** As most European Union countries are already higher than the bar set by TFA, that will not have a huge effect on intra-European trade, but it will have a beneficial impact on European exporters, especially if they are exporting to markets such as sub-Saharan Africa, where the greatest benefit of the trade agreement is likely to be felt.

**Geraint Davies** (Swansea West) (Lab/Co-op): Will the Secretary of State give some reassurance to Welsh lamb and sheep farmers, who have faced 40% tariffs under WTO, and ensure that if we do have a trade agreement with New Zealand we will not be flooded with New Zealand lamb?

**Dr Fox:** When we get to the point at which we begin to have those discussions, we will want to take into account a balance between UK producer interests and UK consumer interests, and we will also wish to ensure that we are making a contribution to a global liberal trading environment that benefits everybody.

**Sir Desmond Swayne** (New Forest West) (Con): This agreement is potentially of greatest advantage to the least developed countries, in which we have put very considerable investment. Will the Secretary of State continue to drive forward that agenda?

**Dr Fox:** Yes, and we have actually invested a large amount of money in supporting the agreement itself and in ensuring that it can be introduced in as beneficial a way in as many countries and as quickly as possible, because, as my right hon. Friend correctly says, this agreement will have the greatest benefit to some of the poorest countries in the world, which is why the United Kingdom, under Governments of both parties, has been so supportive of it.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): For well over a century the UK has not had security of food supply, but has instead always relied on imports. What will WTO tariffs of up to 40% do for the price of food for hard-working families already squeezed by the Tory Government’s policies?

**Dr Fox:** The hon. Gentleman perhaps unintentionally raises this important point: where we have genuinely free trade it benefits consumers, and where we can have an open global trading environment, it is likely to make the incomes of those on low incomes in particular go further. We should welcome an open trading environment, which I hope the Scottish National party does.

**Overseas Trade**

5. **Sir David Amess** (Southend West) (Con): What steps his Department is taking to help businesses build trading opportunities abroad.

9. **David Rutley** (Macclesfield) (Con): What steps his Department is taking to help businesses build trading opportunities abroad.

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): The Department for International Trade provides market access, support and advice to UK businesses both in the UK and in 109 markets overseas. Through the GREAT campaign we build the global appetite for British goods and services, and give UK companies access to millions of pounds’ worth of potential business through the digital services offered on the great.gov.uk website.
Sir David Amess: My hon. Friend the Minister leads the buy British goods campaign. Does he agree that taking companies that make British goods on trade delegations is an excellent way of ensuring that companies make the most of our opportunities as we leave the European Union?

Mark Garnier: My hon. Friend is absolutely right. Trade delegations give an opportunity for small businesses to be put in front of buyers, and the Department for International Trade runs about 1,000 of them every year; I have been on a number, as have my colleagues, and they are extraordinarily successful in developing opportunities.

David Rutley: What steps is my hon. Friend the Minister taking to help first-time entrepreneurs become first-time successful exporters?

Mark Garnier: The great.gov.uk website is a tremendous opportunity, whereby entrepreneurs, many of whom are very tech savvy, can take advantage of the opportunities that we provide through our subsidised access to global e-marketplaces. They can also access the advice we provide through the website for exactly that type of business—they are supported as well.

Derek Twigg (Halton) (Lab): May I ask the Minister specifically what advice there is, and what the Government are doing, to help small businesses in that respect?

Mark Garnier: The Department for International Trade has available a network of international trade advisers throughout the English regions who can be contacted through local chambers of commerce and are specifically there to hand-hold individual companies that need help.

Caroline Flint (Don Valley) (Lab): Is the Minister looking at the trade differences between the English regions? One of the reasons that lots of people in the English regions outside London voted to leave was that they did not feel they were getting the benefits of the European Union. What is he going to do to help those areas improve their trading links?

Mark Garnier: We certainly look at foreign direct investment into the regions through trading links. That is why we see inward investment in areas such as Sunderland, which has benefited from Nissan. The right hon. Lady’s point about trade is absolutely right. The UK needs to trade more with the rest of the world—just 11% of businesses that could conduct such trade are actually doing so. One of the prime concerns and objectives of the Department for International Trade is promoting trade to the whole of the UK to ensure that we up our offer to the rest of the world.

Henry Smith (Crawley) (Con): What steps is the Department taking to enhance trade between India and the UK?

Mark Garnier: My right hon. Friend the Secretary of State has certainly held meetings in India, and we are having ongoing talks to try to facilitate opportunities there. I will visit India in the next couple of weeks with my right hon. Friend the Chancellor of the Exchequer to explore more opportunities with financial services.

Bill Esterson (Sefton Central) (Lab): May I associate myself and my colleagues with the Secretary of State’s remarks about yesterday’s terror attacks?

The Federation of Small Businesses reports its members’ concerns that there should not be a cliff edge when we leave the European Union. Smaller businesses want to continue with tariff-free access and to minimise non-tariff barriers. What is the Minister’s Department doing to support small businesses and allay their concerns?

Mark Garnier: The Department for International Trade absolutely shares those desires for a disruption-free exit from the European Union. We are certainly representing those interests to the Department for Exiting the European Union, which is tasked specifically with the objectives described by the hon. Gentleman.

11. [909458] Tom Pursglove (Corby) (Con): The United States is the UK’s single biggest export market. What early discussions has the Minister had with his new US counterparts about trying to secure a timely new trade deal?

Mark Garnier: My hon. Friend is absolutely right to identify the United States as our single biggest trading partner, with 23% of the UK’s exports going to the United States. We are waiting for confirmation of when we can start having conversations.

Ms Tasmina Ahmed-Sheik (Ochil and South Perthshire) (SNP): May I associate myself and my party with the Secretary of State’s opening remarks? We will have an opportunity to pay our respects later, but we are grateful that we are here because of the bravery of others.

The rise in Scottish exports has been one of the major success stories in the Scottish economy over the past decade. What lessons does the Minister believe the rest of the UK can learn from this, given that we have seen exports double in the past 10 years?

Mark Garnier: Like everybody else, I am delighted that exports from Scotland have done particularly well, but I stress that trying to promote exports is part of an ongoing process through the whole UK, not just one region. I celebrate the fact that Scotland has a number of tremendous exports, particularly Scottish whisky. Nearly £4 billion-worth of whisky is exported from Scotland, and the rest of the world sees a great deal of value in the brand.

WTO Rules

6. Jeff Smith (Manchester, Withington) (Lab): What discussions he has had with businesses, trade bodies and industry representatives on the potential effects of World Trade Organisation rules in the event that the Government do not secure free trade agreements with other countries after the UK leaves the EU.

10. Paula Sherriff (Dewsbury) (Lab): What discussions he has had with businesses, trade bodies and industry representatives on the potential effects of WTO rules in the event that the Government do not secure free trade agreements with other countries after the UK leaves the EU.
14. Justin Madders (Ellesmere Port and Neston) (Lab): What discussions he has had with businesses, trade bodies and industry representatives on the potential effects of WTO rules in the event that the Government do not secure free trade agreements with other countries after the UK leaves the EU. [908462]

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): International Trade Ministers and officials regularly meet British businesses to discuss trade policy matters. These discussions have included our position in the WTO, work under way to avoid the loss of trade preferences that UK firms currently access via EU trade arrangements, and future trade negotiation priorities. The Department for Exiting the EU is also engaged fully with British businesses.

Jeff Smith: As an EU member state, we are party to free trade agreements with countries such as Mexico, South Korea and South Africa. Is it the responsibility of his Department or the Department for Exiting the European Union to negotiate the grandfathering or replacement of those agreements?

Mark Garnier: I can absolutely confirm that DIT leads in every sense on the trade negotiations with the rest of the world. The Department for Exiting the European Union is restricted to the European Union.

Paula Sherriff: How does the Department intend to help businesses trading with non-EU countries overcome trade barriers such as tariffs and rules of origin requirements if the Government are unable to secure continuation of preferential trading terms?

Mark Garnier: When we leave the European Union, it is the intention of the Department for International Trade to carry over the existing trade deals that we enjoy through our membership of the European Union. Countries such as Mexico, for example, have trade deals with the EU, and it is our intention to carry over such trade deals in the first instance in order to avoid any cliff edge.

Justin Madders: The Minister will be aware of statements made by the head of the PSA Group, following the takeover of Vauxhall-General Motors group, that when new models are awarded plants across Europe will be judged on their competitiveness. A 10% tariff on cars would have a huge impact on the competitiveness of the UK car industry, so what contingency plans do the Government have to ensure that the UK car industry remains competitive?

Mark Garnier: The hon. Gentleman is right to raise this point; he speaks on behalf of his constituents in an area that manufactures these vehicles. It is the intention that the UK can achieve tariff-free, customs-free access to the single market. That benefits not only the UK car manufacturers that produce 1.9 million cars, but the European manufacturers that export to the UK.

Mr Mark Prisk (Hertford and Stortford) (Con): Many countries breach WTO rules by using a whole series of non-tariff barriers such as local content requirements. What discussions have the Government had to get the WTO to enforce those rules, and what can we do to ensure that those countries are persuaded against this practice?

Mark Garnier: My hon. Friend is right. Non-tariff barriers are incredibly disruptive to free trade, and we take that very seriously. We will be looking at our own system of trade remedies, but at the moment everything has been done through the European Union. We need to start engaging in that. To a certain extent, we have had conversations with other countries through the joint economic and trade committees, where we can deal with that.

Mr Steve Baker (Wycombe) (Con): The Government will know that WTO rules are not something that we fall back on, but the ultimate foundation of all international trade. Will the Minister bear in mind the advice of Economists for Free Trade, which has said that a UK free trade policy could add 4% to GDP in the long term and reduce consumer prices by 8%?

Mark Garnier: Free trade is absolutely the key to giving prosperity to the world, including the UK—it is a huge benefit to developing nations, as well as developed nations. For consumers, there is the opportunity to have market choice, and therefore price choice, which can be incredibly helpful to the economy.

Mr Edward Vaizey (Wantage) (Con): Tech City UK published its excellent “Tech Nation” report yesterday, showing that investment in digital companies in the UK is 50% higher than in any other European country. I know that my hon. Friend and his fellow Ministers are supporting the tech industry strongly, but has he made an analysis of how WTO rules will affect it?

Mark Garnier: The Department for International Trade is carrying out an analysis of how WTO rules will affect every sector of our economy. This is an ongoing process, but my right hon. Friend is absolutely right to highlight the technology sector as one in which this country is leading, and that is a fantastic opportunity.

Barry Gardiner (Brent North) (Lab): Mr Speaker, you and I have been in this House for 20 years, and after yesterday’s attack, I have never felt more proud or more grateful to be speaking in this Chamber.

What assessment has the Secretary of State made of the need to deploy WTO trade remedies? We know that the Government opposed anti-dumping measures in Europe that would have protected British industries. Earlier, he spoke of a balance of interests between UK producers and UK consumers. If there is to be a balance, how many specialist staff has he recruited to deploy successful anti-dumping measures and protect vital UK jobs in the steel and ceramics industries from dumping by China?

Mark Garnier: We will bring forward our proposals on this to the House in due course, but at the moment we are looking to adopt a rules-based process to deal with it.
Topical Questions

T1. [909440] Gavin Newlands (Paisley and Renfrewshire North) (SNP): 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): The Department for International Trade has three tasks: promoting UK exports to support a growing economy that serves the whole country; maximising opportunities for wealth creation, including through overseas direct investment, to support the current account; and negotiating the best international trading framework for the UK outside the EU.

With your permission, Mr Speaker, I would like to acknowledge Sir Martin Donnelly, who leaves our Department after 36 years in the civil service. He is a great and distinguished civil servant who will be very much missed by my Department and more widely.

Gavin Newlands: Last weekend, we learned that the Secretary of State’s Department is secretly working on a 10-year transitional arrangement with the EU, based on the WTO general agreement on tariffs and trade. Will he confirm that the Scottish Government and all other devolved Administrations are being consulted so that the interests of all the nations of the UK are represented, should a trade deal not be reached in time?

Dr Fox: The Department is not working on a secret agreement with anybody, including the European Union. I think that the hon. Gentleman is referring to press reports about the possible use of WTO rules to ensure a smooth transition at the point when the United Kingdom leaves the European Union.

T2. [909441] Peter Aldous (Waveney) (Con): There has been considerable investment in the offshore wind sector off the East Anglian coast in recent years. With article 50 being triggered next Wednesday, will the Minister set out the Government’s plans to strengthen the UK’s position as a world leader in the sector, and to attract global investment in innovation and research, so that local businesses are well placed to win contracts at home and overseas?

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): The Department for International Trade works with, and will continue to work with, key UK suppliers, potential and existing inward investors, foreign Governments and offshore wind developers. The UK is building a competitive and innovative supply chain that creates and sustains jobs, exports and economic benefits for the UK as we leave the European Union.

Barry Gardiner (Brent North) (Lab): Now that the Secretary of State has revealed to The Sun his plans for a trade Bill in the Queen’s Speech, will he do Parliament the courtesy of publishing a trade White Paper that sets out clearly what markets he wishes to liberalise and what measures he will take in future trade agreements to protect and enhance International Labour Organisation principles, sustainable development, human rights, environmental protection, intellectual property rights, food standards, future options on state-owned enterprises and the ability to nationalise particular sectors? If he develops an informed, consultative international trade policy, the Government may be able to restore confidence that they are holding trade dialogues that are backed by a clear and strategic plan.

Dr Fox: The hon. Gentleman raises an important point. Should the Government intend to introduce legislation on this issue in the Queen’s Speech, we would want a consultative process so that stakeholders could make their views known. It is important that we do that in a very collegiate way, because that is, as he said, the way to maintain and maximise confidence.

T4. [909443] Nigel Mills (Amber Valley) (Con): The aerospace sector is of great importance in Derbyshire. What steps are the Government taking to promote the UK’s excellence in this sector around the world?

Mark Garnier: Our aim is absolutely to keep the UK as a key aerospace sector and, indeed, space sector. We will continue to work with the industry through the aerospace growth partnership and to promote foreign investment, boost exports and grow high-value jobs here in the UK.

T3. [909442] Daniel Zeichner (Cambridge) (Lab): The UK video game sector is one of our great success stories. I was with Ninja Theory in Cambridge on Friday. The trade body UKIE has consulted its members, who have told it that maintaining data flows in Europe is essential. Can the Minister tell us what progress has been made on securing a data adequacy agreement with the European Union?

Mark Garnier: The hon. Gentleman is absolutely right to celebrate the activities of this creative industry sector. However, since we have not started the article 50 process, we have not entered into any specific talks.

T5. [909444] Henry Smith (Crawley) (Con): What discussions has my right hon. Friend had with Commonwealth countries about trade and investment opportunities?

Dr Fox: Just over a week ago, we held our first conference with Commonwealth Trade Ministers. That gave us an opportunity to look at how we might maximise intra/Commonwealth trade and at the differences between our trading systems. That will help us to move towards greater consistency in the rules that we apply so that all in the Commonwealth can get even greater benefit from a system that is growing faster than the global economy and should be much more beneficial.

T7. [909446] Heidi Alexander (Lewisham East) (Lab): When will the Government notify other contracting parties to the European economic area agreement of their intention to withdraw from the EEA?

Dr Fox: As we withdraw from the European Union, we will be having continued discussions with our partners about how we intend the process to be notified.

T6. [909445] Tom Pursglove (Corby) (Con): What early consideration are Ministers giving to product standards?
Mark Garnier: The subject of product standards is incredibly important. My hon. Friend will be aware that the great repeal Bill will bring across a great deal of what relates to the European Union, and that Bill will contain detail about product standards.

Graham Evans (Weaver Vale) (Con): What influence can my right hon. Friend bring to the showcasing of great British beer in embassies around the world?

Dr Fox: We give great priority to all great British exports, and let me give my hon. Friend a personal commitment that I will take an unusually strong personal interest in the request that he makes on the regular trips that I intend to take in the coming months.

T8. [909447] Kirsten Oswald (East Renfrewshire) (SNP): My constituent Heather Burns works in the digital economy. She has only ever known a borderless, connected world of work. Can the Secretary of State reassure her that he understands the difficulties that Brexit is likely to cause for this very globally focused industry? What action is he going to take to prevent problems from occurring?

Dr Fox: One problem that we have faced in recent times is that although the European Commission has been relatively forward-leaning on digital issues, European Union members have prevented the Commission from taking forward some of the measures of liberalisation that would, in fact, help this country and others. As we leave the European Union, we will want to see what advantages there are for the United Kingdom in liberalising our economy, especially so that the digital economy and e-commerce can flourish.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Exiting the EU: Disability Rights

1. Alan Brown (Kilmarnock and Loudoun) (SNP): What assessment she has made of the potential effect on disability rights of the UK exiting the EU. [909425]

14. Gavin Newlands (Paisley and Renfrewshire North) (SNP): What assessment she has made of the potential effect on disability rights of the UK exiting the EU. [909439]

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): I would, of course, like to add my condolences to those already expressed by colleagues to the families of the victims of yesterday’s attack, and especially to the family of Keith Palmer.

I can assure the House that the Equality Act 2010 and the public sector equality duty, which incorporates a number of EU directives on equalities, will continue to apply once the UK has left the EU. Additionally, we continue to be signatories to the UN convention on the rights of persons with disabilities, which is binding in international law.

Alan Brown: I thank the Minister for her answer, but she will be aware that a lot of her Conservative colleagues are desperate to do away with many of the regulations. As we go forward post Brexit, will she guarantee that there will be no rush to deregulate and there will not be a reduction in the statutory protections available to disabled people?

Caroline Nokes: The hon. Gentleman mentions my colleagues, but I remind him that the Conservative party has a proud history of protecting disability rights. It was under a Conservative Government that we passed the Disability Discrimination Act 1995, which made it unlawful to discriminate against people in respect of their disabilities. The UK is a world leader in support for disabled people, and we are proud of the work that we do to support people with disabilities and health conditions, both in this country and abroad.

Gavin Newlands: There is already a lot of fear and anxiety as this Tory Government have substantially reduced disability support with the powers they already have. How then can we trust this Government’s word? Will the Minister set out exactly which of these rights will be safeguarded following Brexit?

Caroline Nokes: Our reforms to welfare are about making sure that we give more to those who need it most while encouraging those who can do so to get into work. That is why people with the most severe disabilities have had their payments increased and protected from the benefit cap and the benefits freeze.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Over 160 Members have signed a prayer against the new personal independence payment regulations. The period for praying against those regulations comes to an end on 3 April. A debate has been arranged in the other place next week, but to date the Government have refused to arrange a debate and vote on the Floor of this House. There is a huge democratic deficit, as the regulations will come into force under the negative procedure. Why are the Government refusing to hold a debate on the new PIP regulations in this House?

Caroline Nokes: As the hon. Lady will know, the usual channels decide when debates will be held in this place. It is not for me to give such a date today.

Universal Credit

2. Fiona Mactaggart (Slough) (Lab): Whether she has had discussions with the Secretary of State for Work and Pensions on the potential effect on levels of income of limiting entitlement for the child element in universal credit to two children; and if she will make a statement. [909426]

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): The Welfare Reform and Work Act was scrutinised by both Houses and gained Royal Assent in March 2016. An impact assessment of the policy was published during the passage of the legislation. The policy strikes the right balance between protecting vulnerable people and encouraging families who receive benefits to make the same financial decisions as those who support themselves solely through work.
Fiona Mactaggart: The respected Women’s Budget Group calculates that these cuts will disproportionately affect Asian families, costing them £16,000 by the next general election compared with a cost of £13,000 for larger white families. Should not the Government have carried out a comprehensive equality assessment on this and other Budget measures, and taken action to end this disproportionate effect?

Caroline Nokes: As the right hon. Lady will have heard me say, the policy was available for scrutiny during the passage of the Bill. Since 2010, we have worked hard to make sure that families who are reliant on benefits make the same decisions as families in work. Our reforms are about encouraging more people into work.

Mr David Nuttall (Bury North) (Con): For the very reason that my hon. Friend has just given—those on welfare benefits should have to make the same choice as those in work—will she reassure me that there will be no U-turn on this policy?

Caroline Nokes: As I have said, the reforms are aimed at helping working parents and they are removing barriers to work for ordinary men and women across the country. Ordinary working families rely on the Government to provide economic stability and we are starting from a position of strength. I assure my hon. Friend that we have looked at the regulations carefully, and we have taken this decision to restore fairness in the benefits systems.

Angela Crawley (Lanark and Hamilton East) (SNP): May I, too, associate myself with the comments made by right hon. and hon. Members from across the House?

The Prime Minister wants to transform the way in which we think about domestic violence, and I am sure that the Minister supports her in those efforts, but does the Minister accept that that is completely undermined by introducing the rape clause without parliamentary scrutiny? Will she encourage her colleagues to scrap this pernicious tax?

Caroline Nokes: The hon. Lady will recall that there was a debate on this subject in Westminster Hall in October. I am aware that there have been repeated requests for further scrutiny and debate on this subject, and the usual channels have considered them.

Sarah Champion (Rotherham) (Lab): I associate myself with the Minister’s comments about PC Keith Palmer. We will always owe a debt of gratitude to him and our hearts bleed for his family.

From 6 April, new mothers will not be able to claim tax credit or universal credit for their third child. What communications has the Minister had with women who are pregnant now to tell them that they face an unexpected drop in income because of this Government’s choices?

Caroline Nokes: Of course, the hon. Lady will know that no existing family will be a cost loser as a result of this policy. We consulted widely on the exceptions and how to implement them, and we have worked hard with Her Majesty’s Revenue and Customs to make sure that information is available to all staff who have to communicate the policy.

Women’s Voting Rights

4. Sir David Amess (Southend West) (Con): What steps the Government are taking to celebrate the centenary of the right to vote for women.

The Minister for Women and Equalities (Justine Greening): First, I would like to set out my own condolences to PC Keith Palmer’s family and all those who were affected by the terrible incident yesterday. I would also like to say a big thank you to the emergency services and the House of Commons staff, who I felt were outstanding yesterday. The kind of people who perpetrate these sorts of attacks need to understand that they will never disrupt our democracy, because democracy is part of our country’s DNA. That is why oral questions are happening perfectly as normal today.

This is a fantastic time to be able to celebrate the centenary of women’s suffrage. We now have our second female Prime Minister, who I know is committed to encouraging women in politics, and the proportion of women MPs has finally reached 30%. However, there is much, much more to do. In the Budget, we announced a £5 million fund to support projects to educate young people about the important milestone that is coming up and to inspire women to get more involved in politics at all levels.

Sir David Amess: As we mark 100 years since women were given the right to vote, will my right hon. Friend join me in celebrating the election of two female Prime Ministers, the first of whom made our country and the world better places in which to live, and the second of whom will make our leaving the European Union a great success?

Justine Greening: My hon. Friend is absolutely right. I am extremely proud that it is our party—the Conservative party—that has delivered not only the first two female leaders of the major political parties represented in Westminster but, critically, the first two female Prime Ministers of our country. One of them shaped the Britain we live in today; one of them will shape the Britain we live in tomorrow. It is long overdue that we celebrate the centenary that is coming up.

Thangam Debbonaire (Bristol West) (Lab): Women won the right to vote—they fought for it, as they have had to fight for so many rights. I want to make that clear. What is the Minister doing, as we approach the year in which we celebrate that struggle, to ensure that all women in the country today are registered to vote, as many are finding individual registration difficult?

Justine Greening: The Government are committed to ensuring that everybody who is entitled to vote in our country, women included, is registered to vote. I very much hope over the coming months that we can all be role models and inspirations for a new generation of young girls growing up in our country, and encourage them to play their role in our democracy not just in this Parliament, but in councils and other community groups around the country.

Mims Davies (Eastleigh) (Con): This House benefits hugely from the much broader representation that women and all those from different backgrounds bring to it. As chair of the all-party group for women in Parliament,
may I ask the Minister to commit the Government to highlighting women’s suffrage, which was hard fought for and should be highly valued and used?

Justine Greening: I absolutely give my hon. Friend that commitment. We announced £5 million in the Budget to help community groups around the country to celebrate and highlight this important centenary. When I arrived here as a Conservative female MP just over 10 years ago, there were fewer than 20 others. We now have a huge number, but we need to do more. We all need to work together to say that politics is a place that should have more women in it. It is important that we see that happen.

Paula Sherriff (Dewsbury) (Lab): While it is welcome that next year we will celebrate 100 years of votes for women, those women were also campaigning for economic equality. How then, 99 years on, can the Government justify the fact that 86% of Treasury gains come from women?

Justine Greening: One of the Government’s important achievements is getting more people, particularly women, into work. Indeed, there have never been more women in work. However, women’s economic empowerment is vital—it is one of our biggest economic growth levers, not just in the UK, but around the world. I was on a United Nations high level panel that recently completed a second report to hand over to the Secretary General in New York. That will provide a platform for delivering global goal 5 of the sustainable development goals.

Child Tax Credit (Rape Victims)

7. Lilian Greenwood (Nottingham South) (Lab): What steps the Government are taking to prepare for the implementation of the requirement for victims of rape to prove that abuse in order to receive child tax credit for their third child.

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): The Government consulted on the exception in October 2016 and responded in January 2017, outlining the finalised policy. Since then, we have been developing guidance and working with stakeholders to plan for the delivery of this exception in the most sensitive and compassionate way possible.

Lilian Greenwood: The rape clause exception in the two-child limit on tax credits is not just unworkable, but inhumane. It betrays a fundamental misunderstanding of sexual violence and domestic abuse. Will the Minister act urgently and seek to persuade her colleagues in the Department for Work and Pensions to reconsider the proposal in order to protect women’s rights?

Caroline Nokes: We know that this issue is difficult and sensitive. The exception will use a third-party model, whereby women can request the exception through engaging with a third party, who will be a recognised healthcare professional. We are setting up procedures that are mindful of the sensitivities involved. Neither DWP nor HMRC staff will question the claimant about the incident, other than to take the claim.

Food Security (East Africa)

8. Patrick Grady (Glasgow North) (SNP): What discussions she has had with the Secretary of State for International Development on the Government’s support for women and girls affected by food insecurity in east Africa.

The Minister for Women and Equalities (Justine Greening): The scale of the humanitarian crisis we are facing in 2017 is unprecedented. Once again, the impact falls disproportionately on women and children. I am proud that the UK is leading the way, stepping up DFID’s life-saving emergency assistance for those affected by food insecurity in east Africa, with women and girls at the heart of that response.

Patrick Grady: The Minister is right that women and girls are disproportionately affected by the food insecurity crisis in east Africa, and I recognise her experience in dealing with such matters. What further discussions has she had with the Secretary of State for International Development about not just immediate, short-term aid, but long-term rebuilding, especially access to education for women and girls, which is the best route out of poverty?

Justine Greening: The hon. Gentleman is absolutely right. He will know that my right hon. Friend the Secretary of State for International Development announced £100 million to support South Sudan in particular. More broadly, we need to look long-term, and I am delighted that my right hon. Friend the Foreign Secretary is leading a big push to ensure that girls and women, wherever they are in our world, have education. It is vital if women are to take their proper place in our society.

Mr Philip Hollobone (Kettering) (Con): Millions of impoverished women and girls in developing countries spend much of their life fetching and carrying very heavy loads of water to and from their homes. Their lives would be vastly improved if DFID encouraged proper sanitation and water facilities.

Justine Greening: I agree with my hon. Friend. And, indeed, substantial investment has gone into improving water and sanitation. It is a basic issue, but it makes a tremendous difference to being able to lift up women and girls.

STEM Careers

9. Andrew Stephenson (Pendle) (Con): What steps the Government are taking to encourage girls to take up STEM careers.

The Parliamentary Under-Secretary of State for Women and Equalities (Caroline Dinenage): We simply cannot afford to miss out on the talents of half the population. Increasing the number of women in STEM industries is vital for economic growth and to eliminate the gender pay gap. That is why we are improving the quality of STEM teaching, funding programmes such as the Stimulating Physics Network and the further maths support programme, and raising awareness of career opportunities through STEM ambassadors.
Andrew Stephenson: I recently met Katie Goodwill, an apprentice from Rolls-Royce in Barnoldswick, who in November won the gold medal in CNC turning at a 2016 world skills show. Will the Minister join me in congratulating Katie as a role model for other women and girls, inspiring them to take up STEM careers?

Caroline Dinenage: I am delighted to join my hon. Friend in congratulating his constituent, Katie Goodwill, on her fantastic achievement. Role models are so important—that is why more than 40% of our STEM ambassadors are women. They are helping to inspire the next generation, just as I am sure his constituent Katie will.

Caroline Flint (Don Valley) (Lab): It is important to encourage women and girls into non-traditional careers, but will the hon. Lady ask the Ministers responsible for expanding apprenticeships why there are no targets for increasing the number of girls on apprenticeships in traditionally male areas? There has been a lost opportunity to challenge that.

Caroline Dinenage: I certainly will have conversations with my colleague in the Department for Education, but the right hon. Lady must remember that there are no such things as girls’ jobs and boys’ jobs, and we have to get that message across from the earliest stages of kids’ engagement with the education system. That is why we have chosen to focus on increasing the take-up of STEM subjects, which lead to the more technical apprenticeships and jobs.

Antoinette Sandbach (Edisbury) (Con): The engineering education scheme is a brilliant scheme for encouraging schoolchildren of both sexes to get interested in engineering. What can the Government do to support that scheme and promote it in schools across the country, including in my constituency?

Caroline Dinenage: My hon. Friend is absolutely right to draw attention to that scheme and others that make such a difference up and down the country. She should also be aware that we are investing an additional £1.5 billion in developing technical skills for 16 to 19-year-olds via the new T-level certificate. We are also working closely with organisations that provide refuges to ensure that we get the new system for supported housing right, so that we can continue to provide those refuges, which are so badly needed.

Chris Bryant (Rhondda) (Lab): All the evidence suggests that one of the best ways of getting girls and young women to go into STEM careers is to change STEM to STEAM—that is to ensure that every young person in this country, and particularly girls, has a really strong arts education in their school. What will the Government do to ensure that schools do not cut music teaching and drama education, and ensure that every youngster gets a good arts education?

Caroline Dinenage: The Government have taken unprecedented steps to ensure that we continue to invest in those subjects, and that they continue to have massive focus in our schools. We are also publishing online guidance—“Your daughter’s future”—that helps parents to support their daughters in careers choices, so that they ensure that they include all those important subjects when making decisions about their future.

Domestic Violence Refuges

10. Helen Hayes (Dulwich and West Norwood) (Lab): What recent assessment the Government have made of the adequacy of the availability of domestic violence refuges for women.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): Refuges provide vital support for victims of domestic abuse. We are investing £40 million over this Parliament in services to support victims of domestic abuse, including refuges. We expect local areas to assess their need, and to provide services and support to meet that need.

Helen Hayes: Domestic violence refuges are unique within the supported housing sector because many who need them have to flee a long distance to be safe. By relying solely on local authorities to commission refuge services, the Government are failing to maintain a strategic approach. We are now seeing patchy provision with, for example, the recent closure of the last remaining refuge in Cumbria. Is the Minister monitoring the number of specialist refuge services and specialist providers that have closed since 2010? If not, how can he be assured—

Mr Speaker: Order. I am extremely grateful but we have got the thrust of it. We really do need to be briefer. That was far too long.

Mr Jones: Thank you, Mr Speaker.

We recognise the importance of refuges. That is why we are exempting refuges from the 1% social rent cap policy, and exempting them from the local housing allowance rate until 2019-20. We are working closely with organisations that provide refuges to ensure that we get the new system for supported housing right, so that we can continue to provide those refuges, which are so badly needed.

Sir Simon Burns (Chelmsford) (Con): I warmly welcome what the Government are doing in this crucial area, but what work is being done with local authorities and social housing providers on the next stage, which is ensuring that there are enough homes for women and their families to return to that provide a safer environment?

Mr Jones: I reassure my right hon. Friend that we are working closely with housing associations on that important issue, and particularly on getting the funding stream right for supported housing. We are also working on bringing badly needed new supply on stream.

Women in Work

11. Chris Davies (Brecon and Radnorshire) (Con): What assessment she has made of recent trends in the number of women in work.

The Parliamentary Under-Secretary of State for Women and Equalities (Caroline Dinenage): I am delighted that there are now more women in work than ever before, and that the female employment rate is nearly 70%, which is the highest on record. The female employment rate has increased by more since 2010 than it increased during the three previous Parliaments combined.
Chris Davies: Recent figures show that record-breaking numbers of women are in work under this Government. Does my hon. Friend agree that it is only by creating a stronger, fairer economy that works for everyone that we will continue to see records being broken?

Caroline Dinenage: My hon. Friend is absolutely right to draw attention to that. We want to ensure that all women can fulfil their potential. That is why the Government have extended the right to flexible working and introduced shared parental leave. From September, we will double the 30 hours childcare offer.

Tracy Brabin (Batley and Spen) (Lab): According to Maternity Action, 54,000 women are forced out of work each year due to maternity discrimination. What steps are the Government taking to address that unacceptable gender inequality?

Caroline Dinenage: Maternity discrimination and pregnancy discrimination in any form is utterly illegal and must be tackled. Women must feel that they can bring cases forward, which is why we are committed to ensuring people from all backgrounds can access justice. The introduction of the early conciliation service through ACAS has meant that people have to avoid the stress of going through an employment tribunal hearing.

Personal Independence Payments

12. Kerry McCarthy (Bristol East) (Lab): What discussions she has had with the Secretary of State for Work and Pensions on the effect on disabled people of recent changes to the level of personal independence payments.

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): Recent changes to the PIP regulations clarify the original criteria used to decide how much benefit claimants receive. This is not a policy change, nor is it intended to make new savings. It will not result in any claimants seeing a reduction in the amount of PIP previously awarded by the Department for Work and Pensions.

Kerry McCarthy: The Minister, in response to the Labour Front Bench, batted away suggestions that we need a full debate and vote on the Floor of the House on this issue, but given that the Government’s own equality impact assessment says that 164,000 people with debilitating mental health conditions will be affected, does she not think it is her job to go to the DWP and tell them we want a proper vote?

Caroline Nokes: Supporting people with mental illness is a priority, which is why we are spending more on mental health than ever before, and an estimated £11.4 billion this year. PIP does ensure parity between mental and physical conditions, and it achieves this by looking at the impact of conditions on an individual, not which conditions they have. As I have previously said, it is of course up to the usual channels to decide whether there will be further debate on the subject.

Topical Questions

T1. [909417] Jo Stevens (Cardiff Central) (Lab): If she will make a statement on her departmental responsibilities.

The Minister for Women and Equalities (Justine Greening): We celebrated International Women’s Day this year with a budget for potential and a budget for equality, including £20 million of funding to combat violence against women and girls, £5 million for internships and £5 million to mark the centenary of women getting the vote for the very first time. Next month, the gender pay gap reporting regulations will come into force. I want to thank Members from all parts of the House for their constructive support as we take forward amendments to the Children and Social Work Bill, enabling statutory, age-appropriate relationship education in primary schools and relationship and sex education in secondary schools.

Jo Stevens: The European Social Investment Fund has supported a Cardiff-based charity, Chwarae Teg, to deliver a range of successful programmes to help women in Wales achieve pay equality and progress in Welsh workplaces. One example is the £8.6 million for the Agile Nation 2 project. Can the Minister provide a guarantee that post-Brexit the Government will provide equivalent replacement funding for Chwarae Teg?

Justine Greening: The Government are proud that we now have the lowest gender pay gap on record. We are absolutely committed to making sure that that continues post-Brexit.

T6. [909424] Mr Philip Hollobone (Kettering) (Con): The good news is that smoking rates among both men and women are falling, as is the incidence of lung cancer in men. The bad news is that the incidence of lung cancer in women is rising. What will the Government do to tackle that?

Justine Greening: I know that my right hon. Friend the Secretary of State for Health looks into these incredibly serious issues very carefully. I will raise my hon. Friend’s concerns with him.

T2. [909418] Fiona Mactaggart (Slough) (Lab): The Minister said that the Budget was good for women, but actually mothers and couples will be losing 11%, or £2,400, of their individual income. In contrast, their husbands or partners will lose 5%, or £1,700, of their income. What does that tell us about her effectiveness as a Minister for Women?

Justine Greening: The bottom line is that the best route for all of us as women is to be able to have the chance to have a working life and a career. That is why we have more women in employment than ever before, something the House should welcome.

Mr Speaker: The right hon. Member for Chipping Barnet (Mrs Villiers) had a question on the Order Paper. She is here and it could be topical. She should be heard.

T5. [909423] Mrs Theresa Villiers (Chipping Barnet) (Con): Will the Secretary of State make every effort to ensure that women are involved in the huge programme of rail infrastructure upgrades we are currently undertaking as a Government?
**Justine Greening:** Absolutely. The Department for Transport set out an ambition for women to represent at least 20% of new entrants to engineering and technical apprenticeships in the transport sector by 2020. My right hon. Friend the Minister for Apprenticeships and Skills visited the Crossrail Academy recently. The academy is exceeding the target: 27% of its apprentices are female.

**Sarah Champion** (Rotherham) (Lab): Some 54,000 women are forced out of work due to maternity discrimination. Will the Government look at reducing the extortionate fees for employment tribunals, and will the Minister specifically look at extending the time for application from three months to six months?

**The Parliamentary Under-Secretary of State for Women and Equalities** (Caroline Dinenage): We are consulting on proposals to extend the support that is available under the help with fees schemes. We propose that the gross monthly income threshold for a full fee remission should increase to £1,250, which is broadly the level of the national minimum wage.

**Rebecca Pow** (Taunton Deane) (Con): Is my right hon. Friend aware that only 36% of headteachers are women? In my constituency, the Affinity Teaching Alliance, led by local headteacher Sarah Watson, is working on an innovative programme to change that. Will my right hon. Friend join me in congratulating Sarah Watson on enabling many more women to take up senior teaching posts, and does she agree that that is the best way to get the most out of our workforce?

**Justine Greening:** I would indeed like to congratulate Sarah Watson. Improving flexible working in the teaching profession is one of the best things we could do to ensure that women can get to the top, and later this year the Department will host a summit with teachers to discuss how we can make more progress in that regard.

**T4. [909422]** Mr Jim Cunningham (Coventry South) (Lab): Eighty-six per cent of cuts and adjustments to tax and benefits have been inflicted on women. Will the Minister agree to meet me, along with women from my constituency who are affected by the changes in the state pension age, and will she tell us why the Government are persistently refusing to listen to the WASPI campaigners, who have fought so long and so hard for a fair deal?

**The Parliamentary Under-Secretary of State for Welfare Delivery** (Caroline Nokes): As the hon. Gentleman knows, there is a long-standing commitment to equalise the state pension ages of men and women, and we continue to look very closely at the state pension age in general. I am sure that the hon. Gentleman, like me, welcomes the increase in longevity. The Government have made big concessions with regard to cost—we have already committed more than £1.1 billion—and there will be no further concessions.
Speaker’s Statement

10.31 am

Mr Speaker: After yesterday’s shocking events, I know that the whole House will want me to express our heartfelt condolences to the families and friends of the victims of this outrage. A police officer, PC Keith Palmer, was killed defending us, defending Parliament and defending parliamentary democracy. Arrangements have been made for books of condolence to be placed in the Library and Westminster Hall. Our hearts go out to all those directly and indirectly touched by yesterday’s events.

I should like to thank all colleagues, staff of the House and Members’ staff for their forbearance in very stressful circumstances yesterday. Naturally, the parliamentary security authorities have already taken measures to ensure that Parliament is safe in the light of the attack. In due time, the Commission, which I chair, will consider, together with our Lords counterparts, what sort of review of lessons learned would be appropriate. However, let the security personnel who protect us—police, security officers and Doorkeepers—be in no doubt whatsoever of our profound appreciation of the way in which they discharged their duties yesterday, matched by other staff of the House. That means that this morning the House has been able to resume its business undeterred.

London Attack

10.33 am

The Prime Minister (Mrs Theresa May): Yesterday, an act of terrorism tried to silence our democracy, but today we meet as normal, as generations have done before us and as future generations will continue to do, to deliver a simple message: we are not afraid, and our resolve will never waver in the face of terrorism. We meet here, in the oldest of all Parliaments, because we know that democracy, and the values that it entails, will always prevail. Those values—free speech, liberty, human rights and the rule of law—are embodied here in this place, but they are shared by free people around the world.

A terrorist came to the place where people of all nationalities and cultures gather to celebrate what it means to be free, and he took out his rage indiscriminately against innocent men, women and children. This was an attack on free people everywhere, and on behalf of the British people, I would like to thank our friends and allies around the world who have made it clear that they stand with us at this time. What happened on the streets of Westminster yesterday afternoon sickened us all.

While there is an ongoing police investigation, the House will understand that there are limits to what I can say, but, having been updated by police and security officials, let me set out what, at this stage, I can tell the House. At approximately 2.40 pm yesterday, a single attacker drove his vehicle at speed into innocent pedestrians who were crossing Westminster bridge, killing two people and injuring around 40 more. In addition to 12 Britons admitted to hospital, we know that the victims include three French children, two Romanians, four South Koreans, one German, one Pole, one Irish, one Chinese, one Italian, one American and two Greeks, and we are in close contact with the Governments of the countries of all those affected. The injured also included three police officers who were returning from an event to recognise their bravery; two of those three remain in a serious condition.

The attacker then left the vehicle and approached a police officer at Carriage Gates, attacking that officer with a large knife, before he was shot dead by an armed police officer. Tragically, as the House will know, 48-year-old PC Keith Palmer was killed.

PC Palmer had devoted his life to the service of his country. He had been a member of the parliamentary and diplomatic protection command for 15 years, and a soldier in the Royal Artillery before that. He was a husband and a father, killed doing a job he loved. He was every inch a hero, and his actions will never be forgotten. [HON. MEMBERS: “Hear, hear.”] I know that the whole House will join me in sending our deepest condolences to his family, and to the families and friends of all those who have been killed or injured in yesterday’s awful attacks. I know also that the House will wish to thank all those who acted with such speed and professionalism yesterday to secure this place and ensure that we are able to meet, as we are doing today.

At 7.30 pm last night, I chaired a meeting of the Government’s emergency committee, Cobra, and will have further briefings and meetings with security officials today. The threat level to the UK has been set at “severe”—meaning an attack is highly likely—for some
time. This is the second highest threat level. The highest level—"critical"—means that there is specific intelligence that an attack is imminent. As there is no such intelligence, the independent joint terrorism analysis centre has decided that the threat level will not change in the light of yesterday’s attack.

The whole country will want to know who was responsible for this atrocity and the measures that we are taking to strengthen our security, including here in Westminster. A full counter-terrorism investigation is already under way. Hundreds of our police and security officers have been working through the night to establish everything possible about this attack, including its preparation and motivation, and whether there were any associates involved in its planning. And while there remain limits on what I can say at this stage, I can confirm that overnight the police have searched six addresses and made eight arrests in Birmingham and London.

It is still believed that this attacker acted alone, and the police have no reason to believe that there are imminent further attacks on the public. His identity is known to the police and MI5, and when operational considerations allow, he will be publicly identified. What I can confirm is that the man was British-born and that—some years ago—he was once investigated by MI5 in relation to concerns about violent extremism. He was a peripheral figure. The case is historic: he was not part of the current intelligence picture. There was no prior intelligence of his intent or of the plot. Intensive investigations continue, and as Acting Deputy Commissioner Rowley confirmed last night, our working assumption is that the attacker was inspired by Islamist ideology.

We know the threat from Islamist terrorism is very real, but while the public should remain utterly vigilant, they should not, and will not, be cowed by this threat. As Acting Deputy Commissioner Rowley has made clear, we are stepping up policing to protect communities across the country and to reassure the public. As a precautionary measure, this will mean increasing the number of patrols in cities across the country, with more police and more armed police on the streets.

Since June 2013, our police, security and intelligence agencies have successfully disrupted 13 separate terrorist plots in Britain. Following the 2015 strategic defence and security review, we protected the police budgets for counter-terrorism and committed to increase cross-Government spending on counter-terrorism by 30% in real terms over the course of this Parliament. Over the next five years, we will invest an extra £2.5 billion in building our global security and intelligence network, employing over 1,900 additional staff at MI5, MI6 and GCHQ, and more than doubling our global network of counter-terrorism experts working with priority countries across Europe, the middle east, Africa and Asia.

In terms of security here in Westminster, we should be clear first of all that an attacker attempted to break into Parliament and was shot dead within 20 yards of the gates. If his intention was to gain access to this building, we should be clear that he did not succeed. The police heroically did their job. But, as is routine, the police together with the House authorities are reviewing the security of the parliamentary estate, co-ordinated with the Cabinet Office, which has responsibility for the security measures in place around the Government secure zone. All of us in this House have a responsibility for the security and safety of our staff, and advice is available for Members who need it.

Yesterday, we saw the worst of humanity, but we will remember the best. We will remember the extraordinary efforts to save the life of PC Keith Palmer, including those of my hon. Friend the Member for Bournemouth East (Mr Ellwood). [HON. MEMBERS: “Hear, hear.”] And we will remember the exceptional bravery of our police, security and emergency services who once again ran towards the danger even as they encouraged others to move the other way. On behalf of the whole country, I want to pay tribute to them for the work they have been doing to reassure the public, treat the injured and bring security back to the streets of our capital city. That they have lost one of their own in yesterday’s attack only makes their calmness and professionalism all the more remarkable.

A lot has been said since terror struck London yesterday. Much more will be said in the coming days. But the greatest response lies not in the words of politicians but in the everyday actions of ordinary people. For beyond these walls today, in scenes repeated in towns and cities across the country, millions of people are going about their days and getting on with their lives. The streets are as busy as ever, the offices full, the coffee shops and cafés bustling. As I speak, millions will be boarding trains and aeroplanes to travel to London and to see for themselves the greatest city on Earth. It is in these actions—millions of acts of normality—that we find the best response to terrorism: a response that denies our enemies their victory; that refuses to let them win, that shows we will never give in; a response driven by that same spirit that drove a husband and father to put himself between us and our attacker, and to pay the ultimate price; a response that says to the men and women who propagate this hate and evil, “You will not defeat us.” Mr Speaker, let this be the message from this House and this nation today: our values will prevail. I commend this statement to the House.

Hon. Members: Hear, hear.

Mr Speaker: Order. Colleagues, I am advised that we have been joined today by French Foreign Minister Jean-Marc Ayrault—Sir, we appreciate your presence and your fitting display of solidarity with us—who is accompanied by a number of his colleagues and also by the deputy Foreign Secretary, the right hon. Member for Rutland and Melton (Sir Alan Duncan).

10.45 pm

Jeremy Corbyn (Islington North) (Lab): I join you, Mr Speaker, in welcoming our colleagues from France here today, and I associate myself with the Prime Minister’s remarks. What happened yesterday within metres of where we sit now was an appalling atrocity. The police are still piecing together what took place and what lay behind it. It behoves us all not to rush to judgment, but to wait for the police to establish the facts, to stay united in our communities and not to allow fear or the voices of hatred to divide or cower us. Today, we are united by our humanity, by our democratic values and by that human impulse for solidarity to stand together in times of darkness and adversity.
I express my condolences to the family and friends of police officer Keith Palmer who gave his life yesterday in defence of the public and our democracy. We thank the police and security personnel who keep us safe every day on this estate, and we especially pay tribute to the bravery of those who took action to stop the perpetrator of yesterday’s assault. The police and security staff lost a colleague yesterday and continued to fulfil their duties, despite their shock and their grief for their fallen colleague, which many of them expressed to me when I was talking to them late last night. We see the police and security staff every day. They are our colleagues. They are fellow workers. They are friends. They are neighbours. As the Prime Minister said, when dangerous and violent incidents take place, we all instinctively run away from them for our own safety; the police and emergency services run towards them. We are grateful for their public service yesterday, today and every day that they pull on their uniforms to protect us all.

I want to express our admiration for the hon. Member for Bournemouth East (Mr Ellwood), whose efforts yesterday deserve special commendation. He used his skill to try to save a life.

Innocent people were killed yesterday walking across Westminster bridge, as many millions of Londoners and tourists and all of us in this Chamber have done before them. As the Prime Minister said, the injured include people of 10 nationalities. We send our deepest condolences to their loved ones and to the loved ones of those still in a critical condition, including the French schoolchildren so welcome in our capital who were visiting from Concarneau in Brittany. We send our sympathies to them and to the people of their town and their community.

We thank all the dedicated national health service staff working to save lives, including all those from St Thomas’ hospital who rushed straight over to the scene of the incident to try to support and save lives. Many people will have been totally traumatised by yesterday’s awful events—not just all of us here, but those who were watching on television, worried for the safety of their friends and loved ones—so I ask in this House and in the country, please, that we look after each other, help one another and think of one another. It is by demonstrating our values—solidarity, community, humanity and love—that we will defeat the poison and division of hatred.

Hon. Members: Hear, hear.

The Prime Minister: I join the right hon. Gentleman and you, Mr Speaker, in expressing our gratitude for the support and solidarity that the French Government have shown us at this difficult time. Like many other countries on the continent, France has obviously felt the horror and trauma of terrible terrorist attacks, and we are grateful to the French Government for the support that they have shown us.

The right hon. Gentleman is absolutely right in his description of the police officers. Every day they put on that uniform, they do not know what they will confront in the course of their duties. It is a fact often forgotten when people see the police officer walking on the streets that, actually, they put their life on the line for our safety and security. They show enormous bravery, and we are grateful to them all.

We are also grateful, as the right hon. Gentleman said, to all those from the emergency services, to those from the hospitals and to others who rushed forward to give aid and support to those who had been injured at a time when they knew not what else might be happening in the vicinity and whether they themselves might be in danger.

Finally, as the right hon. Gentleman said, at this time it is so important that we show that it is our values that will prevail, that the terrorists will not win and that we will go about our lives showing that unity of purpose and the values that we share as one nation as we go forward, ensuring that the terrorists will be defeated.

Mr Dominic Grieve (Beaconsfield) (Con): I join my right hon. Friend in everything she says in respect of the deaths and injuries that have taken place, and I join her in sending our condolences to the families and the injured.

My right hon. Friend has set exactly the right tone. Those of us who are privy to the information and background of these matters know very well that it has been little short of a miracle that, over the course of the last few years, we have escaped so lightly from the evil that is, I am afraid, present in our society and that manifests itself in these senseless and hideous acts of violence and evil. We have been very fortunate in that our security services have been immensely diligent and helpful in preventing such attacks, but she may agree with me that the House will simply have to be resolute in accepting that such attacks cannot always be prevented and that, as a society, we have to accept that we are going to have to fight this evil with rational democratic principles in order to get rid of it and that, in reality, there are no shortcuts that will ever enable us to do that.

The Prime Minister: I absolutely agree with my right hon. and learned Friend. In a sense, he refers to the fact that a number of plots have been disrupted in recent years, and it is easy to forget that when the threat level is at severe it means that an attack is highly likely. We live in a free and open country, we live in a democracy, and as he says it is not possible to ensure that we can prevent the possibility of any attack, but we can work as hard as our security services and police do precisely to try to prevent attacks. They have worked hard and have been doing a good job, and they continue to do a good job, in keeping us safe and will do so into the future.

If we are to defeat this evil, my right hon. and learned Friend is right that we will defeat it through our democracy and our values. We must defeat, of course, the terrible ideology that leads people to conduct these horrific attacks.

Angus Robertson (Moray) (SNP): I begin by associating myself and my hon. and right hon. Friends with everything that has been said by the Prime Minister, by the leader of the Labour party and by you, Mr Speaker. Today of all days, we are reminded that, notwithstanding our differences on political and constitutional issues, we are as one in our dedication to democracy, the rule of law and harmony between peoples of all faiths and none.
I personally wish the Prime Minister and the Home Secretary well as they work very hard on our behalf with the security and intelligence services to deal with the aftermath of the appalling indiscriminate terrorist act yesterday. Our hearts go out to the family, friends and colleagues of PC Keith Palmer and of all other casualties. We are all hugely grateful to all the police, security and intelligence staff and first responders who ran towards danger without concern for their own safety, and I include in that our colleague, the hon. and gallant Member for Bournemouth East (Mr Ellwood).

Today is not a day for detailed questions, so will the Prime Minister accept on behalf of the Scottish National party, and no doubt every Member of this House, our huge debt of gratitude to all police and security agency staff who are working so hard to keep everyone in the country safe? Does she agree with me that no terrorist outrage—no terrorist outrage—is representative of any faith, or of any faith community, and that we recommit ourselves to strengthening the bonds of tolerance and understanding?

Finally, is it not best to follow the advice of Brendan Cox, the husband of our murdered MP colleague, Jo Cox? He said:

"In the days to come I hope we will remember the love & bravery of the victims not just the hatred & cowardice of the attackers."

The Prime Minister: I thank the right hon. Gentleman for his words. He is absolutely correct that now is a time for us to come together to promote the values of tolerance and understanding to which he referred, and to recognise that what motivates the terrorists is a warped ideology and a desire to destroy the values that we share and that underpin our democracy—those values of the rule of law, human rights, tolerance and understanding, and democracy itself. We should be absolutely at one in ensuring that those values prevail. Finally, as he says, we should remember the bravery of the victims and the bravery of those who keep us safe, day in, day out.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I commend my right hon. Friend’s powerful statement and add my prayers to hers for those who have died and those who are suffering, and particularly for Keith Palmer, our wonderful and brave police officer. We have faced such threats before from those of twisted and violent ideologies, as the broken stones of the arch through which we enter on a daily basis bear testament to. Time and again, they have failed; they will always fail because we are a beacon of freedom in this place, and that is why they target us. But as they fail, may I urge my right hon. Friend to ensure that as we extoll the values and liberties to which he referred, and to recognise that we must not, either in our laws or by our actions, curtail these values? Indeed, we should have more of them.

The Prime Minister: I thank the hon. Gentleman for his comments. He is of course right that, as others have said, we should ensure that our values of democracy, tolerance and freedom prevail. It is exactly those values that the terrorists are trying to attack. It is our very way of life that they wish to destroy, and that is why it is so important that, out there, those millions of citizens are going about their lives, as they would do normally, showing, in the very smallest of ways, but each and every one of them, a defiance of the terrorists.

Mark Field (Cities of London and Westminster) (Con): Although yesterday’s dreadful events took place within the boundaries of my constituency, I know that the Palace of Westminster is close to the hearts of not just the 650 of us but of many millions of our fellow countrymen and, indeed, people who live abroad. I thank the Prime Minister for speaking so very eloquently for the nation, both on the steps of Downing Street yesterday evening and in the House today. She reminds us all that the greatest tribute that we, collectively, can pay to those so tragically murdered is to ensure that we go about our business as normally as possible and maintain the values and liberties that our forefathers fought so hard to win on our behalf.

The Prime Minister: I absolutely agree with my right hon. Friend. It is so important that we continue to show not just that we value those freedoms and liberties, but that we espouse and, in every action, embody them, because it is those that the terrorists wish to attack. Those freedoms and liberties were hard fought, and there are parts of this Palace where in the past there have been many arguments about them. We must ensure that they remain, and that we show, in our actions, in our deeds and in our words, that they remain at the heart of our democracy.

Ms Harriet Harman (Camberwell and Peckham) (Lab): I thank the Prime Minister for her words here today, and also her words on the steps of Downing Street yesterday. At this very difficult and important time she spoke for us all, so I thank her for that.

We are so proud of the bravery of PC Keith Palmer, so sad for his grieving family, but so grateful for what he did to keep us safe. I wish to add my tribute to all the police and the parliamentary staff who acted with such calmness and professionalism yesterday. I wish to pay tribute, too, to the emergency trauma team at King’s College hospital who are caring
for the injured. This was an horrific crime and it has cost lives and caused injury, but as an act of terror it has failed. It has failed because we are here and we will go about our business. It has failed because, despite the trauma that our staff witnessed outside their windows, they are here and getting on with their work. It has failed because, as the Prime Minister so rightly said, we are not going to allow this to be used as a pretext for division, hatred and Islamophobia. This democracy is strong, and this Parliament is robust. This was an horrific crime, but, as an act of terror, it has failed.

The Prime Minister: The right hon. and learned Lady speaks very well and I utterly agree with her words.

Sir Peter Bottomley (Worthing West) (Con): Some of us were present 38 years ago and nearby when Airey Neave was martyred. The lesson that we learned then was not to damn a community because of the actions of a single person. The message from the imam at the Worthing House of Prayer and Peace was:

“We will always be with those who work for peace.”

May I suggest that we try to disappoint those who calculate that publicity and public reaction will work in their favour by making sure that we work together?

The Prime Minister: My hon. Friend makes a very important point. The Metropolitan police are bringing together a number of faith leaders for a meeting today to show the importance of that coming together. They are of course working with communities up and down the country, especially with those that are concerned about the possible reaction that might take place, to reassure them that the job of the police is to keep us all safe.

Edward Miliband (Doncaster North) (Lab): May I join others in commending the Prime Minister for her statement last night and her statement today? In her tone and in substance, she has spoken for the whole country and I commend her for it. May I also echo those who have said that, in the coming days and weeks, we must not allow anyone to try to divide our country on the basis of faith or nationality after these attacks? The reality is that, across London and across the country, we are united against these attacks; that is who we are.

The Prime Minister: The right hon. Gentleman is absolutely right: the country is united. People of all faiths and none are going about their business in defiance of the terrorists. Their very clear message is that they will not be cowed, and that is a message that this House gives very clearly today: this country will not be cowed by these terrorists.

Mrs Theresa Villiers (Chipping Barnet) (Con): I too send my sympathies to all those bereaved or injured in yesterday’s horrific attack. As we reflect on what happened, we must ask if it is time to consider whether the police who guard sensitive sites known to be of interest to terrorists, such as Parliament or airports, should routinely carry personal protection weapons, even when those officers are not part of the units formally tasked with armed response?

The Prime Minister: Over the nearly 20 years that I have been in this House, the level of security on the parliamentary estate has been enhanced significantly, and the number of armed officers on the parliamentary estate has been enhanced significantly. As to whether individual officers undertaking particular duties are routinely armed, that is an operational matter for the police themselves. They are best able to judge the circumstances in which it is best for individuals to have such arms. Of course, we have seen a significant increase in the number of armed response vehicles and the number of counter-terrorism specialist firearms officers. It is a sad reflection of the threat that we face that it has been necessary to do that, but we have been doing so.

But, as I said, my right hon. Friend’s specific question is really an operational matter for the police.

Mr Nigel Dodds (Belfast North) (DUP): May I too commend the Prime Minister for her words last evening and today, when she spoke for all of us and for the entire country? PC Keith Palmer and his colleagues are the reason we are here today and on any other day. He embodied the rule of law, which we stand for, and stood in harm’s way for all of us. We remember and pray for his family, all the victims who suffered yesterday and the bereaved. We must remember, too, and always will, the bravery of the emergency services, the police, the security forces and our own parliamentary staff and, indeed, the goodness and decency of ordinary members of the public who rushed without regard for their own safety to help people—that includes our hon. Friend the Member for Bournemouth East (Mr Ellwood).

We must uphold the values of this place—our democratic values. We have learned in Northern Ireland that the way to overcome terrorism is by working together politically, and in every other way, to ensure that our democratic values, the rule of law and human rights are all upheld in every way that they can be. We must rededicate ourselves to that in the future.

The Prime Minister: I absolutely agree with the right hon. Gentleman—we are able to be here today because of the bravery of our police officers. He rightly referred to the emergency services and others—members of the public, as he said—and to the staff of this House and of this Parliament who calmly went about their jobs to ensure that everybody was safe yesterday. As he said—he referred to the experience in Northern Ireland—the way to defeat terrorism is by working together and upholding our democratic values.

Sir Edward Leigh (Gainsborough) (Con): As a Back Bencher, it seems to me that both the Prime Minister and the leaders of the opposition parties have set exactly the right tone today and prove that it is values that unite this kingdom. When this Chamber was completely destroyed in the war, Mr Churchill and Mr Attlee decided that not a single day would pass without our carrying on our work. The Prime Minister and her opposite number have shown today that the best way to defeat terrorism is to prove that we will not be moved from our values and our place.

The Prime Minister: My hon. Friend is absolutely right: he refers to a specific example in the past when, once again, Parliament upheld our democracy and showed our values in the face of evil, and we continue to do that today.
Alan Johnson (Kingston upon Hull West and Hessle) (Lab): The Prime Minister is dealing with this outrage in a calm and assured way. Does she agree that an effective counter-terrorism strategy does indeed embody those four pillars, including the pillar of prevent. The action that is taken to prevent terrorism, violent extremism and extremism will come in many forms, but it is important that individuals within communities feel that they are able to give information when they are concerned about somebody within their community, or perhaps within their family, and what is happening to them. It is important that there are those opportunities for them. There will be a variety of means—some through policing and some through other opportunities—where people can go and give such information, not just only for the protection of us all but often to the benefit of the individual concerned.

James Berry (Kingston and Surbiton) (Con): May I commend the Prime Minister for her very fitting statement? When police officers die, they leave behind husbands, wives, sons and daughters. The Police Dependents’ Trust was set up to support the dependants of police officers killed or injured on duty, following the brutal murder of three police officers in Shepherd’s Bush in 1966. Will the Prime Minister join me in encouraging people to donate to the Police Dependents’ Trust via pdtrust.org/donate?

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I, too, welcome the Prime Minister’s words, as she speaks for all of us with the backing of all parties today. She was right to say that this was an attempted attack on Parliament and democracy that failed because of the bravery of PC Keith Palmer, who gave his life doing a job with others to keep people safe. It was also a violent, cowardly attempted attack on our freedom, by mowing down people who were just walking along a bridge. As our hearts go out to them, does the Prime Minister agree that that attack on freedom also fails, not just because of communities’ resilience and determination but because of the perhaps unique partnership in this country between the police and communities of all faiths and across all parts of the country, and that that partnership working will be crucial to our making sure that the terrorists never win?

The Prime Minister: I am very happy to encourage people to do exactly as my hon. Friend suggests. It is a valuable organisation, providing help and support to the families who are left behind. As we have all said, they have to live forever with what, for us, has been an act of bravery from their family member, but which, for them, is a tragedy and a trauma.

The Prime Minister: The right hon. Gentleman is right. As he knows from his experience, our counter-terrorism strategy does indeed embody those four pillars, including the pillar of prevent. The action that is taken to prevent terrorism, violent extremism and extremism will come in many forms, but it is important that individuals within communities feel that they are able to give information when they are concerned about somebody within their community, or perhaps within their family, and what is happening to them. It is important that there are those opportunities for them. There will be a variety of means—some through policing and some through other opportunities—where people can go and give such information, not just only for the protection of us all but often to the benefit of the individual concerned.

The Prime Minister: The right hon. Lady is right; it was a cowardly attack. Parliament has particularly focused on the attempt to attack Parliament, but the mowing down of innocent men, women and children who were just going about their business in a variety of ways—many had come here as tourists to enjoy the great delights of this wonderful city—was an absolutely cowardly and appalling act. We have a unique bond between our police and their communities, and it is important that the partnership and bond continue.

Philip Davies (Shipley) (Con): May I commend the Prime Minister’s statement? I also commend the Prime Minister for her reassuring dignity and resolve. She has shown why she is proving to be a superb Prime Minister, and why we are proud to have her as our Prime Minister. Of course, our hearts go out to the victims, and we honour the police, who risk their lives every day and, unfortunately, too often give up their lives to keep us safe. Will the Prime Minister assure us that she will ensure that police forces up and down the country, and the security services, will always have the resources they need to carry out their job of keeping us all safe?

The Prime Minister: I thank my hon. Friend for his comments. As I indicated in my statement, we have taken steps to enhance the resources available for our security and intelligence agencies, and for our police forces, particularly those working in counter-terrorism. As I indicated in my answer to an earlier question, we have looked, in recent times, to increase the number of armed response vehicles available not just here in London but in other parts of the country. Of course, we constantly look at making sure that our response is appropriate, but we are very conscious of the job that our police do, day in and day out, and we give them the support that they need.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I speak for my party, Plaid Cymru. I commend the Prime Minister for her words today. All of us being here today is not a show of defiance. It is a show of respect for the dead and the injured, respect for democracy and respect for our duty to our constituents. One man cannot shut down a city and lock down democracy. Does the Prime Minister agree that we must not react to such a warped ideology with unworthy responses?

The Prime Minister: What is absolutely appropriate is the response that this House has shown today: it has shown gratitude for the bravery of our police and our emergency services; it has shown respect and concern for those who have been the victims of the terrible attacks that took place; but, also, it has shown normality, and that is what is important as we defy the terrorists, and as we work to defeat them.

Mr Nigel Evans (Ribble Valley) (Con): I thank the Prime Minister for her statement. I have been an MP for 25 years, and I have seen the police play many roles around the Palace of Westminster, one of which is to give advice to members of the public about where to go. None of us will have passed Carriage Gates without seeing members of the public having their photographs taken with the police—that too is one of the things the police do. One of the other things they do is protect our democracy, as we saw yesterday—with brutal consequences.
I am very proud of the police and everything they do in defending our democracy. Keith Palmer was one of us; every one of the police who protect us is one of us. The tribute to Keith and the police is that we are here today and that our proceedings are going on. We have the arch that was spoken about before, which is a lasting memorial to those who have made the ultimate sacrifice for our democracy. I hope that, at an appropriate time, every one of us will know that there are people putting their lives on the line for our democracy today.

The Prime Minister: I thank my hon. Friend, and I am sure the House authorities will wish to consider the point that he has made. If I may just reflect on his earlier remarks, it is a particular characteristic of policing in the United Kingdom that our police are able to have that link and that bond with members of the public, at the same time as they are doing the very difficult job of keeping us safe. We see it so often when major events take place—royal weddings, the Olympics and so forth—but my hon. Friend is absolutely right that we see it day in and day out here on the parliamentary estate.

Hilary Benn (Leeds Central) (Lab): As we mourn those who were so cruelly cut down yesterday, give our grateful thanks to the police and to the emergency and security services for their exemplary courage and devotion to duty, and show as a country, by our determination to carry on, that we will not be cowed, as the Prime Minister put it so eloquently, does she agree that we will need to show the same determination to stand up against anyone who seeks to sow division or to stir up hatred in the wake of these cowardly attacks?

The Prime Minister: I absolutely agree with the right hon. Gentleman. We must be very clear that the voices of evil and hate will not divide us; that should also be a clear message from this House today.

James Cleverly (Braintree) (Con): While our hearts go to all those people who were wounded and murdered yesterday, and to all the people who sought to help them, I would like, with your indulgence, Mr Speaker, to turn for just a moment to PC Keith Palmer, whom I first met 25 years ago when he was Gunner Keith Palmer at headquarters battery, 100 Regiment Royal Artillery. He was a strong, professional public servant, and it was a delight to meet him here again only a few months after being elected. In recognition of the work that he did and that the other police officers and public servants in the House do, would my right hon. Friend the Prime Minister consider posthumously recognising his gallantry and sacrifice formally?

The Prime Minister: I thank my hon. Friend for not just the compassion but the passion with which he has spoken about an individual he knew, and he bears witness to the tremendous public service that Keith Palmer had given this country in so many ways, having served in our armed forces and then come to this place and made the ultimate sacrifice here, at the heart of our democracy. I can assure my hon. Friend that the issue he has raised will, of course, be considered in due course.

Dr Philippa Whitford (Central Ayrshire) (SNP): Yesterday, we saw absolutely the best of security, policing and the emergency services. We also saw the camaraderie that got people through the lockdown, when we had staff stuck in offices all over the estate. I make a small plea that people will take the bravery and determination of yesterday, but that they will also remember to talk among themselves and support their staff; and that instead of burying any feelings of fear from yesterday, they will let that out, so that there is absolutely no scar remnant within this place as we go forward.

The Prime Minister: The hon. Lady makes a very important point. It is all too easy for us to come to this Chamber to show our gratitude, rightly, for the bravery shown by those who protect us, but to forget that for all the staff who were caught up in this, it could have lasting impacts. I understand that there are moves afoot to ensure that, as I said in my statement, Members can access help and support for themselves and their staff, should they wish to do that. But, actually, just allowing people to talk about what happened is often the best remedy.

Byron Davies (Gower) (Con): I thank the Prime Minister for her statement this morning and for her message last night in Downing Street. As a former Metropolitan police officer, may I pass on my condolences personally to Constable Palmer’s family, and to the pedestrians and everybody who was involved yesterday?

As someone who served on the counter-terrorist command here in London in the 1980s, when the IRA, the Irish National Liberation Army and middle eastern groups were bombing London apart, I know only too well the challenge that is faced by the police. I know that the Prime Minister has already been asked about resourcing, but may I reinforce that point by asking her to ensure that in the area of counter-terrorism the Met police and all police forces, as well as the security forces in general, want for nothing?

The Prime Minister: I reassure my hon. Friend. Friend that through the refresh of the strategic defence and security review we did a major exercise in which we looked at the resources that should be available for all aspects of counter-terrorism. That is, of course, about the security and intelligence agencies and the police, but other parts of Government have a role to play in counter-terrorism as well. Extra resources are going in, as I indicated in my statement. Of course, we want to ensure that all who are involved in acting against terrorism have the support that they need to do the job that we want them to do.

Mr George Howarth (Knowsley) (Lab): May I associate myself with the Prime Minister’s words and those of my right hon. Friend the Leader of the Opposition? Does the Prime Minister accept that this is not about our personal security, as Members of Parliament, or about the security of this building? PC Keith Palmer died defending the values of, as the Prime Minister put it, “free people everywhere”. Is not the proper response over the coming days, as more facts emerge, to stand firm for those self-same values of free people everywhere?
The Prime Minister: The right hon. Gentleman is absolutely right. As he says, it is not about individuals in this House or this building; it is about what we stand for, and we should stand absolutely firm for those values.

Mr Shailesh Vara (North West Cambridgeshire) (Con): May I start by commending the Prime Minister for a very powerful speech, and particularly for the tone in which it was delivered? Yesterday, we saw an attack on this centre of democracy and on the citizens of 10 countries. The message that we need to take away from here is that not only is this evil ideology an attack on western countries and on the values that we hold so dear, but it seeks to destroy the way of life of people across the globe. I hope that the message will go out to all decent and civilised countries that we must all redouble our resolve to deal with this evil.

The Prime Minister: I have been struck by the number of messages I have received from a number of foreign leaders to whom I have spoken in which they have been absolutely clear that we stand together in defiance, as he says, but also in ensuring that we will defeat this evil.

Mr David Winnick (Walsall North) (Lab): We recognise the immense bravery of all concerned yesterday, but should we not also recognise that, unfortunately, terror attacks are likely to continue for years to come and, needless to say, this country is not unique in Europe, let alone elsewhere, in having such onslaughts against us. Arising from what the Prime Minister said, may I just tell her that, during all the years of sustained IRA bombing, I as a Member of Parliament did not receive any letters at all or have anyone come to my surgery telling me that we should change our policy in combating terrorism? I have to say that illustrates once again that our people are simply not appeasers.

The Prime Minister: The hon. Gentleman is right. I believe the British public stand with this Parliament in wanting to see us in defiance of terrorists, defeating the terrorists and showing that the values of democracy and the rule of law—the values of free people everywhere—underpin our way of life. I think people recognise that, and they want to see this House endorse it.

Rehman Chishti (Gillingham and Rainham) (Con): I support all that the Prime Minister has said and done, and my thoughts are with all those who have been affected by this evil act. The assistant police commissioner, Mr Rowley, said in 2016 that two people a day are being turned away from extremism, that it is often members of an individual’s own community who are alerting the authorities and that it is communities who defeat terrorism. May I ask the Prime Minister what further steps we are taking to engage with all our communities so that we can work together to defeat the non-violent extremism that often leads to violent extremism?

The Prime Minister: My hon. Friend is right that it is important we defeat such extremism and deal with it at an earlier stage. A lot of work is being done within communities and working with communities. Obviously, there is the work that the police do to encourage people within communities to come forward with information when it is possible to do so and they have such concerns. That is important: people need to have the confidence of feeling that they can do that. It is important to create the environment within communities where people who recognise there are those who are trying to destroy our way of life actually feel able to take action about it. My hon. Friend is right: bringing communities together is an important part of what the Government are doing on a number of fronts.

Several hon. Members rose—

Mr Speaker: Order. I had intended to call another Birmingham Member, the hon. Member for Birmingham, Northfield (Richard Burden), who, sadly, has left the Chamber. In the absence of that hon. Member, let us hear the voice of Jack Dromey.

Jack Dromey (Birmingham, Erdington) (Lab): May I thank the Prime Minister for her leadership at a bleak moment for our country? As the brave guardian of Parliament, Keith Palmer fought for his life yesterday; the hon. Member for Bournemouth East (Mr Ellwood) fought to save his life. May I say of the hon. Gentleman that he is one of Parliament’s finest?

In backing our police to defeat terrorism, does the Prime Minister believe we should heed their wise words that to demonise and divide is to play right into the hands of the evil that is terrorism?

The Prime Minister: We should not be making any attempt to demonise individual communities. We should recognise that it is individuals who are terrorists, that they are adhering to a warped ideology—a warped ideology of evil—and that that is true whatever the origin of the terrorism, because there are different ideologies. This House has been struck before, as we know, and has felt terrorism of a different sort hitting a Member of this House. We must ensure that we do not demonise communities, but work with them to identify and to isolate those who wish to do us harm.

Andrew Bridgen (North West Leicestershire) (Con): In the wake of yesterday’s evil, tragic, but unfortunately not wholly unexpected attack on this place, there will be a review, as the Prime Minister has said, of the response of our excellent police and security services. Does my right hon. Friend agree that in an open and free democracy such as ours there will always be a balance between our security, and public access to and the transparency of our democracy, and that if that balance is not maintained, unfortunately, the terrorists will have won?

The Prime Minister: My hon. Friend is absolutely right that it is a balance. We live in an open and free democracy. We want members of the public to have access to their representatives and to this place, and for Members of this place to have easy access to it. That is part of how we operate. It is important, as we look ahead and ask whether anything more needs to be done, to recognise that we should not in any way destroy the values that underpin our democracy, because if we do that, as he says, the terrorists will have won.

Fiona Mactaggart (Slough) (Lab): For the first time in this House, I want to agree with everything that has been said by every Member who has spoken so far. May
I add thanks to two more groups of people who have not yet been mentioned: the staff at Westminster Abbey who received people who left this House; and the firearms officer who acted in a way that he had been trained to, but probably never expected to? We owe him our thanks.

The Prime Minister knows better than any of us that this sort of attack—it looks like a lone-wolf kind of attack—is the hardest for our security services to prevent. Its prevention, as her remarks have made clear, is best achieved by our celebrating our values—the values that meant that among the victims, there were people of 11 different nationalities—our openness and our democracy. What can she do to help to ensure that everybody in Britain—every child and everyone of every religion—is given the opportunity to learn about those values and celebrate them, because I think that is the best way to keep us safe in future?

The Prime Minister: I join the right hon. Lady in commending the staff of Westminster Abbey, who played a role in supporting people from Parliament yesterday, and the firearms officer, who had to make a split-second decision about what to do. It is not an easy job; it is difficult. Officers are trained to do it, but when the point comes, it is a difficult decision to take. We are grateful that he did that, with the consequences that we know about.

It is important that we celebrate our values. An important element in countering the extremists is to ensure that the values that we share are championed and resolutely put forward. The right hon. Lady asked what I would do, but it is for everybody in this House, as we go about our business as Members of Parliament, to encourage that celebration of the values that we share.

Richard Drax (South Dorset) (Con): May I commend my right hon. Friend for the resolute, brave and courageous way she has stood up for our country and say how proud we are of her? Does she agree that one terrorist will not destroy our country, 10 terrorists will not destroy our country and 10,000 terrorists will not destroy our country—in fact, no amount of terrorists will ever destroy our way of life, because they are just trying to destroy what we in this place represent: freedom and democracy?

The Prime Minister: My hon. Friend is absolutely right. Terrorism will not destroy our way of life; it will not win. We uphold those values of freedom and democracy; they underpin our way of life. They are what the terrorists are trying to attack and they are what the terrorists dislike, but we must ensure that we uphold those values. As he says, no number of terrorists will defeat this place or defeat those values.

Ian Murray (Edinburgh South) (Lab): PC Keith Palmer did not return home from work yesterday to his family so that the rest of us in this House could. We should never forget that sacrifice, and every single day we should pass our thanks to the staff and security of this House and the emergency services. Will the Prime Minister join me in cherishing what happened here yesterday when staff who were terrified and frightened came together and all supported each other? That, in itself, is a way to say to terrorism that it will never win.

Michael Tomlinson (Mid Dorset and North Poole) (Con): It is reported that what happened yesterday was an act of Islamic terror. Does the Prime Minister agree that what happened was not Islamic, just as the murder of Airey Neave was not Christian, and that both were perversions of religion?

The Prime Minister: I absolutely agree. It is wrong to describe what happened as Islamic terrorism; it is Islamist terrorism—a perversion of a great faith.

Tom Elliott (Fermanagh and South Tyrone) (UUP): I pay tribute to the Prime Minister and wish her and her Cabinet well in their deliberations as we move forward. I echo everything that has been said about those who were killed, their families and the other victims. Will the Prime Minister ensure that every effort is made to support the victims and families, and the police officer whose role was to stop the terrorist in the end?

The Prime Minister: I assure the hon. Gentleman that that support will be available. Of course, the Metropolitan police already have in place the necessary support arrangements for those who have been injured and the bereaved families. I have also asked the Government to look at what further support can be made available for victims in a wider sense, because there will be people who were not physically injured in the attack yesterday, but witnessed it or were caught up in it, for whom there may be other scars. It is important to provide that support.

Dr Matthew Offord (Hendon) (Con): Parliament is a different place this morning. On my way in from the tube, I realised that millions of people live with the after-effects of terrorism. At almost this time yesterday, in my summing up of a Westminster Hall debate, I said of the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood):

“I understand that his experience of terrorism is something that is not known to the rest of us”.— Official Report, 22 March 2017; Vol. 623, c. 360WH.

I could certainly repeat that assertion this morning about his experience yesterday afternoon. Does the Prime Minister agree that we should use the honours system to recognise those who made a contribution yesterday, including my hon. Friend?

The Prime Minister: As I indicated earlier, proper consideration will be given to the issue that my hon. Friend raises. I spoke to my hon. Friend the Member for Bournemouth East (Mr Ellwood) yesterday evening, and we should all recognise not only that he showed huge professionalism in putting his past training to use in the hope of saving PC Keith Palmer’s life, but that he did so in the middle of a terrorist attack, and he is someone who knows the trauma and tragedy of losing somebody in a terrorist attack.
Hannah Bardell (Livingston) (SNP): I very much associate myself with the Prime Minister’s statement and everyone’s comments, and I pay tribute to all those involved. We are thinking of the victims and their families. I am the sister of a police officer in uniform, and when police officers go out of the front door in the morning, none of us really knows what they will face. Yesterday hit all of us and was particularly hard for those of us who have family in uniform. I am pleased to hear that the Prime Minister will give all the support she can to the victims, their families and all those who were affected.

The Prime Minister: The hon. Lady speaks well on this. When I was Home Secretary, two events always brought home to me the commitment, bravery and dedication of police officers. One was the National Police Memorial Day service, when the police recognise those who have fallen, and the other was the police bravery awards, where groups of police officers are recognised for brave acts that they have undertaken.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): I commend the hon. Gentleman for his quiet bravery yesterday. It is a hallmark of his character that he stands below the Bar of the House today.

The Prime Minister: I thank the hon. Gentleman for the tone with which he has reacted. She has genuinely spoken for the nation in this moment. Yesterday, many of us from the House were gathered in Westminster Abbey, in lockdown. In a stunning moment, people from left and right, of the Muslim, Hindu, and Christian faiths and of none, gathered in Westminster Abbey, in sanctuary, surrounded by luminaries of our political past, of left and right. I support others who reminded us today that what happened was not an act of faith, but the distortion of faith and that, in the strength of all our faiths coming together in this country, we will defend the values we cherish.

The Prime Minister: My hon. Friend is absolutely right. That shows the importance of all our faiths working together, recognising the values we share. As he says, this act of terror was not an act of faith. A perversion—a warped ideology—leads to such acts of terrorism, and it will not prevail.

Mr Khalid Mahmood: My prayers are with all those who were injured, with all those who lost their lives and their families, and particularly with PC Keith Palmer, who made the ultimate sacrifice. This attacker and people like him are not of my religion, nor are they of our community. We should condemn all who pretend to be of a religion when they are not, because if they were of a religion, they would not be carrying out acts like this one. We have to stay united, and show them that they cannot win on these grounds and that we are here to stay.

The Prime Minister: I commend the hon. Gentleman for the comments he has just made and for the stance he has consistently taken on terrorism. He has been very clear that, as he says, this is not of his religion. A perversion and a warped, evil mentality leads to these acts of terror.

Simon Hoare (North Dorset) (Con): I join hon. Members in saluting my fellow Dorset county Member, my hon. Friend the Member for Bournemouth East (Mr Ellwood), for his quiet bravery yesterday. It is a hallmark of his character that he stands below the Bar of the House today.

The Prime Minister: I think that is a wonderful tribute. In a very simple way, it encapsulates everything hon. Members in the House have said today.

The Prime Minister: The hon. Gentleman is absolutely right. It must have been particularly difficult for those children who were here and caught up in this. We should commend the work of their teachers in offering that reassurance and calm. We must particularly recognise the role of the French teachers of the French group. The last thing people expect when they bring a group of young people to visit another country is something terrible like that happening. They will have acted to support the other members of that group who went through that trauma, and will continue to do so.

David Rutley (Macclesfield) (Con): As we were evacuated from the House yesterday, I too met several stoical school groups, who had been involved with visits organised by the parliamentary education service. Does my right hon. Friend agree that such visits, as promoted by you, Mr Speaker, are vital and help to provide an antidote to hatred and intolerance?

The Prime Minister: I absolutely agree. Those visits are also important in helping to promote the values we share. The right hon. Member for Slough (Fiona Mactaggart) asked earlier how we can ensure that we are promoting those values. The work that Parliament does by bringing in schoolchildren and showing them the work of Parliament and the values of our democracy is an important part of that.

Rushanara Ali (Bethnal Green and Bow) (Lab): My thoughts are with PC Palmer’s family and the families of all the victims of yesterday’s terrorist attacks. We are so grateful to the emergency services, and everyone who protected us and the wider public.
The Prime Minister speaks for the whole country in her message of unity, but does she agree that the painstaking work begins now, in the days ahead, for all hon. Members in our constituencies in providing reassurance and maintaining that unity? It is in the days after such events that we must be vigilant against those who try to exploit attacks and cause backlashes and intolerance against different communities. Does she also agree that the role of the media is critical in ensuring that we maintain our resilience, and that sense of defiance and solidarity?

The Prime Minister: The hon. Lady is right. There is an immediate focus on the event that has taken place, but, as she says, it is in the days afterwards that some may try to sow division and hatred in our communities. We all have a role to play in ensuring that does not happen.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I thank the Prime Minister for her statement and offer my condolences to all affected. I am from an armed forces family, so I know that at these times it is all the more important to show our resolve. I also hope that we will continue to support all those affected, because although trauma may not have an impact straight away, it can have long-term impacts and effects. We must reach out in compassion, for that is what sets us apart from terrorists.

The Prime Minister: The hon. Lady makes a very good point. Sadly, over time with a number of incidents we have come to learn more about the importance of providing that support. It is not just about an immediate reaction. For some, the impact of an attack can kick in quite a while later, which is why we are looking at the support available for victims.

Graham Evans (Weaver Vale) (Con): I commend my right hon. Friend’s statement. I hope she agrees with me that Great Britain’s police force is the greatest in the world. For those of us who have served as police officers, I pay tribute to PC Keith Palmer who stood serving and protecting this House unarmed when duty called. He went towards the face of evil and made the ultimate sacrifice. Lone wolf terrorist attacks are notoriously difficult to defend. What, if anything, can be done to make sure this kind of event does not happen again?

The Prime Minister: In terms of protective security, work will be done with the parliamentary estate to see if anything more needs to be done. The best way to defeat the terrorists is through intelligence—finding out information about the potential for attacks in advance and then preventing them. As I said in my statement, since June 2013, 13 terrorist plots have been disrupted in this country. That is due to the hard work of our police, security and intelligence agencies. They work day in, day out to keep us safe and they will continue to do so.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I think everyone who works on the parliamentary estate has at some point considered what they would do if a day like yesterday ever happened, but for those of us who work alongside our families on site it is of particular concern. Will the Prime Minister join me in saying a specific word of praise for the staff at the House of Commons nursery for their actions yesterday? Many of us can attest to the fact that looking after just one toddler in a confined space for a number of hours is not easy, but yesterday they looked after all the children in very difficult circumstances, all the time keeping in touch with some very worried parents. I was in the nursery during the lockdown. Their courage, care and steadfastness was exemplary and much appreciated.

The Prime Minister: I am very happy to join the hon. Gentleman in commending the work of the nursery staff. It must have been particularly difficult with very young children in what was an uncertain and difficult circumstance. I am sure they did an excellent job and I am happy to join him in commending their work.

Patrick Grady (Glasgow North) (SNP): I join all the tributes that have been paid. I think those of us who were locked down in the Chamber will also want to pay particular tribute to Mr Deputy Speaker, the Chairman of Ways and Means, and to the Leader of the House for keeping calm and carrying on, and keeping us informed about what was going on. I also pay tribute to the Hansard reporters who kept democracy going and reported, three hours after the business had finished, the live recording of the proceedings up to the Adjournment of the House. That is a tribute to the continuity of our democracy.

The Prime Minister: Yes, indeed. I join the hon. Gentleman in commending the actions of both the Chairman of Ways and Means and my right hon. Friend the Leader of the House yesterday. Very calmly, they were able to reassure Members of this House at a time when nobody knew everything about what was happening and only very limited information was available.

Rachel Reeves (Leeds West) (Lab): Yesterday showed us the worst of humanity, but it also showed us—much, much more—the best of humanity in the actions of the hon. Member for Bournemouth East (Mr Ellwood), PC Palmer, and the firearms officer who shot down the person who wanted to terrify all of us, our country and our democracy.

I have been touched by the number of people from my constituency—of Christian faith, of Jewish faith, of Muslim faith, and of no faith—who have contacted me in the last two days. I pay particular tribute to the chairman of the mosque in Leeds, who contacted me to say that his thoughts and prayers, and those of all members of the Muslim community in Leeds, were with all of us at this difficult time. There will be prayers in mosques, synagogues and churches across our country in the days ahead.

The Prime Minister: I join the hon. Lady in that. I think that all faith communities in the country will be coming together and, as she has said, will be remembering those who have suffered as a result of the attacks. In their coming together they will be showing again that they represent the values about which we have talked, and which are so important to our way of life.
Chris Bryant (Rhondda) (Lab): The Prime Minister has been exemplary in this instance, as, indeed, she was in relation to Hillsborough, in my view. I congratulate her on that.

The hon. Member for Ribble Valley (Mr Evans) was absolutely right when he said that Keith was one of us. One of the things that we saw yesterday was that the parliamentary family is a very big family: it includes cooks, cleaners, Clerks, Doorkeepers, and all sorts of people who make our democracy function and who are, in many ways, far more important than we are.

When a Member of Parliament dies in action or is killed in a terrorist incident, as Ian Gow and Airey Neave were, a shield is put up in the Chamber, and I hope that—sadly—there will soon be one for Jo Cox. Surely, whatever other tributes and medals there may be in the future, it is time for Keith to have a shield here, because he was our shield and defender yesterday.

The Prime Minister: The bravery shown by PC Keith Palmer and his act of sacrifice should be recognised in an appropriate way, but as the hon. Gentleman will appreciate, what that should be is a matter for the House authorities.

James Heappey (Wells) (Con): Yesterday, on Westminster Bridge and in New Palace Yard, many members of the public and Members of the House attempted to give life-saving aid to those who had been injured. Since then many of us will have asked ourselves whether we would have had the same skills had we been in close proximity to deliver that aid. Will the Prime Minister join me in encouraging those who now seek to acquire such skills to do so, and perhaps to contact their local branch of St John Ambulance with a view to taking lessons?

The Prime Minister: My hon. Friend has made an important and very good point, and I join him in that encouragement. The vast majority of Members of the House would probably not have had the skills that would have enabled them to act in that way, and it is a very good message that perhaps more of us should go out and acquire those skills.

John Woodcock (Barrow and Furness) (Lab/Co-op): A key aim of any terrorist is to exploit the completely natural and inevitable sense of public interest, grief and sympathy in order to sow disunity, disruption and fear beyond the physical act of terror itself. May I ask the Prime Minister to build on her commendable words about the resolution of the British people? Does she think that we should also take time to reflect, both in the Chamber and outside—and that includes the media—on how we can balance the public interest and people’s feelings of grief with seeking not to give the oxygen of publicity to whatever cause a terrorist seeks to promote?

The Prime Minister: The question of the oxygen of publicity is obviously important, and I think we should all reflect on the point that the hon. Gentleman has made. He referred to the actions of the media. We have talked about a number of people who were caught up in what happened yesterday, but we should not forget that many journalists were caught up too, either on the periphery of the parliamentary estate or within the estate, and continued to do their best to do their job in reporting faithfully what was happening. However, I agree with the hon. Gentleman that these matters are addressed and reported is an important consideration. We want to ensure that it is not possible for people to use such actions either to encourage others or to try to sow division.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I would like to add my words of condolence and gratitude to those already so eloquently expressed. Yesterday, two of my constituents were caught up in the attacks, one of whom was eight months’ pregnant, and they have asked me to pass on their gratitude and thanks to the House staff and the police for the consideration with which they were treated during the five-hour lockdown.

Does the Prime Minister agree that, just as we continue to go about our daily work, so those whom we represent must continue to see this House as their House, and must be encouraged to come here to see, and participate in, the democracy which puts our values into action?

The Prime Minister: That is an important point: it is part of our democracy that members of the public—the constituents we represent—are able to come to this place and to learn about this place, and are also able to access their elected representatives at this place. We should ensure that that will always continue.

Tulip Siddiq (Hampstead and Kilburn) (Lab): My hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) mentioned the House of Commons staff, who showed exemplary behaviour in the face of adversity yesterday. I want to pay particular tribute to the nursery manager, Anjali, who was very reassuring and calm in dealing with the nervous parents who had very small babies on site. This was every parent’s worst nightmare, and Anjali and her colleagues stayed calm under a terrorist attack.

May I add that people who commit acts of terrorism in the name of Islam do not speak for the Muslims in this country, do not speak for the Muslims in this city, and certainly do not speak for me.

The Prime Minister: I am grateful to the hon. Lady for her words, and, again, for the warm way in which she has spoken of the action of members of the House of Commons staff who were looking after the small children in the nursery. She is absolutely right: the terrorists do not speak in the name of a faith; they have used both his car and a knife as indiscriminate weapons of murder yesterday cared not what the faith was of the people he killed, or about their nationality. Does it not say everything about why our values will prevail and the values of murder will not that, after the police had shot him, they attempted to save his life?

The Prime Minister: I am grateful to the hon. Lady for her words, and, again, for the warm way in which she has spoken of the action of members of the House of Commons staff who were looking after the small children in the nursery. She is absolutely right: the terrorists do not speak in the name of a faith; they have a warped ideology.

Toby Perkins (Chesterfield) (Lab): The murderer who used both his car and a knife as indiscriminate weapons of murder yesterday cared not what the faith was of the people he killed, or about their nationality. Does it not say everything about why our values will prevail and the values of murder will not that, after the police had shot him, they attempted to save his life?

The Prime Minister: I am grateful to the hon. Lady for her words, and, again, for the warm way in which she has spoken of the action of members of the House of Commons staff who were looking after the small children in the nursery. She is absolutely right: the terrorists do not speak in the name of a faith; they have a warped ideology.

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Jim Shannon (Strangford) (DUP): I commend the Prime Minister on her strength of character and leadership at this time: cometh the hour, cometh the woman. We thank you, Prime Minister—God will bless you, and all that you do.

We are all aware of the policy review that will take place. It will make recommendations for enhancements, and may I ask for an assurance that they will be conveyed to the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, and, further, that there will be co-operation on this with the Republic of Ireland, which is very important for us in Northern Ireland, so that security is enhanced and strengthened?

The Prime Minister: I thank the hon. Gentleman for his comments. Obviously, it is important that any lessons learned here on this parliamentary estate are shared with the other representative Parliaments and Assemblies across the United Kingdom.

Geraint Davies (Swansea West) (Lab/Co-op): This morning I spoke with the imam of Swansea University mosque, Sheikh Mohsen, who wanted to share his deepest sorrow, shock and condolences with the family of Keith Palmer and all the bereaved families, and to say that Islam is of course the Arabic word for peace and that these acts were not carried out in the name of Islam. Extremists, whether Islamic fundamentalists or right-wing terrorists, are trying to divide our communities and we should stand united, shoulder to shoulder, against all terror. Will the Prime Minister send a message to Muslims in Swansea and throughout Britain that we all stand shoulder to shoulder against right-wing terrorists, are trying to divide our communities, and that these acts were not carried out in the name of Islam. Extremists, whether Islamic fundamentalists or right-wing terrorists, are trying to divide our communities and we should stand united, shoulder to shoulder, against all terror. 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Another manifesto promise has been broken. While the consultation on the new funding formula closed yesterday, the Government promised in their 2015 manifesto a real-terms increase in the schools budget during this Parliament and that “As the number of pupils increases, so will the amount of money in our schools.”

However, nearly half of schools would face a funding cut. In Walsall South, schools face a reduction of £490 per pupil. May we have a debate on the impact of the new funding formula to set out the losers and the losses, because every school will be a loser? Schools will bear the brunt of unfunded rises in pay, pension and national insurance contributions that could amount to between 6% and 11% of their budgets by 2019-20.

This is the last business questions for the Leader of the House and me before the Easter recess, so I again want to thank the Clerk of the House, his staff, the Library, the Doorkeepers, and you, your Deputies and your office, Mr Speaker—everyone who has made my work as shadow Leader of the House easier. I wish everyone a happy Easter. Finally, I want to say, from every corner of this United Kingdom and every corner of the world, blessed are the peacemakers.

Mr Lidington: I thank the hon. Lady for her kind words and associate myself unreservedly both with her final remarks and with the tributes that she rightly paid not only to the police, but to the staff of the House for what they did yesterday in their various roles.

I have to say to the hon. Lady that I intend to be here for a business statement next Thursday. I would be very sorry to lose her across the Dispatch Box, but perhaps this is another Opposition Front-Bench change that has been heralded in advance.

The hon. Lady asked about a number of pieces of forthcoming business, and I can tell her that the Government will make provision for debates on the two statutory instruments about which she expressed concern. I cannot give her a firm date yet—work is happening and discussions are continuing through the usual channels about the precise date—but time will be found.

On the items of European legislation that will be needed, there will of course be ample opportunity to debate their content and impact. Although it is no secret that I expect the repeal Bill to include some secondary legislative powers, the scope and definition of those powers will of course themselves be subject to the full parliamentary process. The definitions and scope will have to be agreed by both Houses of Parliament through the normal process of enacting a Bill into law.

On education, it is a fact that more is being spent on schools than ever before, but the national funding formula, to which the hon. Lady referred, with the tributes that she rightly paid not only to the police, but to the staff of the House for what they did yesterday in their various roles.

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the basic cost of providing education being the same. That is why the Government committed themselves to introducing a national funding formula.

Finally, the hon. Lady asked about the BBC. I note that she did not allude to the presence of a former Labour Cabinet Minister in a senior role at the BBC, although I suspect he has probably been airbrushed out by the current Labour party leadership. For as long as I have been in this place, robust, strongly held and strongly expressed views about the BBC, for and against, have been voiced by Members on both sides of the House. My feeling is that, if hon. Members have a sin in that respect, it is that we spend too much time watching or listening to political and current affairs programmes. When I think of the BBC, I think of the Proms and Radio 3, which enable me to approach the subject with a degree of serenity.

Anna Soubry (Broxtowe) (Con): We are urged to follow business as usual, which is difficult given what happened yesterday, not because any of us is affected by terrorism but simply because we are so horrified and saddened by those events and the terrible deaths and injuries. We wish everyone well, and our thoughts are with those who have suffered as a result of these terrible murders. I will try to engage in business as usual by asking this of the Leader of the House. Many of us were surprised to learn that the apprenticeship levy, which is a good idea that has been rightly passed on to local, upper-tier and unitary authorities, has wrongly in turn been passed on to schools. Schools in my constituency of Broxtowe find that they are paying £300 or £400 but are receiving no benefit from the levy. They are having to pay the burden, which is wrong. When will the Leader of the House arrange for us to have a debate on that outrage?

Mr Lidington: Although we rightly return to business as normal, we must demonstrate that our democracy and our free society will not be disrupted by terrorism, it is important that we always remember that the families of those who lost their lives and the families of those who were severely injured will have to live with the events of yesterday for the rest of their days on this earth. We should have that in mind, too.

On the apprenticeship levy, the situation my right hon. Friend describes in Nottinghamshire is not, as I understand it, the case for every local education authority in the country. My understanding is that some local education authorities have decided to deal with the levy themselves, rather than pass it on to schools, but I will draw her concern to the attention of the Secretary of State for Education.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the business for next week. I join him and the Labour shadow Leader of the House in all their tributes to the members of staff who worked so exceptionally yesterday. I commend him for the leadership he showed in the Chamber yesterday, for which I thank him. It is appropriate and right that we continue our business as normal. We will not be deterred from our important work on behalf of all the people we represent.

This institution lost one of its own yesterday, and I express my heartfelt condolences to the family of Keith Palmer and to the families of all the others who lost their life. As a Scottish Member of Parliament, one of the things I have noted is the inspiring resilience and determination of this great city and its people. We are all Londoners today. As a tribute, perhaps we could consider a debate on the value of our emergency services to this nation, on the risks they take on our behalf, and on their immense contribution to keeping our nation safe. That would be a fitting tribute from us, as Members of Parliament, to the memory of Keith Palmer.

Because of the events here, the Scottish Parliament suspended its business yesterday and no vote was taken on seeking a section 30 order so that a legal referendum can be held to determine the future political arrangements of Scotland. That vote will now happen next Tuesday, and it is anticipated that it will be passed. The will of the Scottish Parliament will be expressed, and surely it is incumbent on this House to respond positively to the democratic voice of the Scottish Parliament. There can be no good reason for the voice of Scotland’s Parliament to be ignored, so will the Leader of the House tell us how this Government intend to respond, and how they intend to respond positively, to what is agreed in our national Parliament?

It is also beyond pernicious that this Government will seek to put through the rape clause via a negative statutory instrument without any debate. My hon. Friend the Member for Glasgow Central (Alison Thewliss) attempted to secure a debate on that issue. Will the Leader of the House please reconsider? Something so important should rightly be debated on the Floor of the House.

Article 50 will be triggered next Wednesday, but I cannot see anything in the business statement to say that there will be a statement or some sort of debate in the House of Commons, so will the Leader of the House confirm that there will be at least a statement next Wednesday to mark this immensely depressing event?

Finally, as we all go home to our friends and families this afternoon, it is right to remember that one of our number who worked in this House will not have the same opportunity and advantage as we have today.

Mr Lidington: First, I thank the hon. Gentleman for his kind remarks, and I associate myself with his condolences to the victims of yesterday’s attack and his salute to the emergency services and others.

On the hon. Gentleman’s political questions, I have said that the Government will find time for the statutory instrument to be debated. Of course the fact that that particular statutory instrument is subject to the negative resolution procedure was authorised by the Act of Parliament from which it is delegated, so the power was debated and approved by this House during the Act’s passage.

On the substance of the policy on the third child of a woman who has been subjected to the ordeal of rape, the Government recognise that that is a very difficult and sensitive issue. I am sure that the Government will consider a third-party model to allow us to make sure that neither Department for Work and Pensions nor Her Majesty’s Revenue and Customs staff will question the mother...
about the incident. Instead, staff will simply take the claim and receive the supporting evidence from a third-party professional, which seems to us to be the right balance between making sure that mothers get the support they need without the need for unnecessary, intrusive processes while providing the right assurance that additional support goes to those for whom it is intended.

On the hon. Gentleman’s question about article 50, I must say that we have not been short of opportunities up till now, but I am sure that before long there will be an opportunity for the House to debate that decision or for questions to be posed.

On the debate in the Scottish Parliament, my right hon. Friend the Prime Minister has been very clear that we believe that now is not the time for a second referendum—particularly given that the 2014 referendum was supposed to be a once-in-a-generation opportunity—and that the United Kingdom Government and all three devolved Governments ought now to work very closely together to ensure that we get the best possible deal for all the people of every part of the United Kingdom in the forthcoming European negotiations.

**Philip Davies** (Shipley) (Con): I commend the Leader of the House for his calm and reassuring presence in the Chamber yesterday and, through you, Mr Speaker, I commend Mr Deputy Speaker; both performed magnificently in the Chamber yesterday.

May we have a timescale for a statement or debate on the fairer funding formula for schools? Preferably, the Government will scrap their current proposals, which are frankly unjustifiable. The formula will take money from schools in Bradford district, which is one of the worst-performing local authorities in the country with regard to education, and transfer it to some of the highest-performing local education authorities in the country, which is absolute madness. Every school in my constituency will lose money. How quickly will the Government realise that their proposals are unjustifiable and unacceptable?

**Mr Lidington:** I thank my hon. Friend for his kind remarks. My right hon. Friend the Secretary of State for Education will come forward with a response as soon as possible, but as the consultation on the draft national funding formula proposals concluded only this week, it is reasonable that she should have a while to consider the detailed representations that have been put forward by a number of different parties. Nevertheless, she will come forward with a response, and I promise my hon. Friend that there will be an opportunity for the Government to debate any proposals that are then submitted.

**Ian Mearns** (Gateshead) (Lab): May I begin with an apology to Members of the House for my absence over recent weeks? I too add my thanks to Members, staff and security personnel for their activities yesterday. There is, though, one group of people we have forgotten about a little. Hundreds of members of the public were in this building yesterday for dozens of different meetings and dozens of other reasons. Over many hours, they showed great compliance, patience, forbearance and fortitude while the security situation was being resolved outside the confines of this building. We put on record our thanks to them.

I thank the Leader of the House for the notice that next Tuesday’s debate on the crisis in Yemen will be protected for 90 minutes, meaning that we will have a decent length of time to discuss the dreadful ongoing situation there. I also thank him for notice that we have two debates next Thursday: one on animal welfare and, of course, the pre-recess Adjournment debate. If at all possible, will he give early notice of any time allocated to the Backbench Business Committee in the weeks beginning 18 April and 24 April?

I am sure the Leader of the House is aware of this, but there is an anomaly in the Standing Orders. When we return on 18 April, the House will meet at 2.30 pm, but, under Standing Order 10(2)(b), Westminster Hall will commence at 9.30 am, which is an inconvenience not only to Members but to the staff of this House. A Backbench Business Committee debate is scheduled for that morning, to be led by the hon. Member for Motherwell and Wishaw (Marion Fellows), who will have to leave her constituency on Monday, a bank holiday, to get here in time.

**Mr Speaker:** It is good to know that the Chair of the Backbench Business Committee is in fine fettle once more. I think I speak for Members across the House in saying that it is a pleasure both to see him here today and to hear his inimitable voice.

**Mr Lidington:** It is indeed good to see the hon. Gentleman back in his normal place for these exchanges on Thursdays. I will do my best to make sure that he and his Committee have early notice of any allocated time in the weeks beginning 18 April and 24 April. I take his point about the anomaly in the Standing Orders. I have already spoken to my right hon. Friend the Chief Whip to see whether we can look for a way to make life easier for the hon. Gentleman and the hon. Member for Motherwell and Wishaw (Marion Fellows).

**Bob Blackman** (Harrow East) (Con): Mr Speaker, I am sorry that I was such a poor substitute for the Chairman of the Backbench Business Committee.

I was unsuccessful in the shuffle at Women and Equalities questions, so may I ask the Leader of the House for an early statement on the position of the promised consultation document on caste discrimination? It will allow the Hindu community in particular the opportunity to put its perspective on why this unwanted, unnecessary and ill-judged legislation can be removed from the statute book.

**Mr Lidington:** My hon. Friend raises a matter that I know is very important to his constituents, and he does so eloquently. I will suggest to the Minister concerned that she write to him about the Government’s current position. As he will be aware, this particular decision involves not only a policy commitment but the allocation of legislative time, which is currently under pressure from many Departments.

**Dame Rosie Winterton** (Doncaster Central) (Lab): I welcome the Leader of the House’s assurances about support for staff after yesterday’s tragic events, and I thank you, Mr Speaker, for what you said about the Commission, under your chairmanship, looking at the lessons learned and particularly the issue of support for staff.
[Dame Rosie Winterton]

May we have a debate on the work of the Taylor review before it completes, so that we can feed in our views on insecurity at work, particularly the huge growth in zero-hours contracts, the increase in the use of agency staff, and bogus self-employment?

Mr Lidington: The right hon. Lady makes a perfectly reasonable point, although of course there is nothing to prevent individual right hon. and hon. Members from making representations to Matthew Taylor. The best advice I can give her is to seek a Backbench Business debate.

Sir David Amess (Southend West) (Con): It certainly is good to see the hon. Member for Gateshead (Ian Mearns) back in his place. I am glad that it was a back problem, rather than a heart problem.

Will my right hon. Friend the Leader of the House find time for a debate on developments along the Thames estuary? Last week, the North Thames Fisheries Local Action Group was awarded £800,000, which will be spent on further enhancing the culture and heritage of the Thames estuary.

Mr Lidington: My hon. Friend asks his question in a great historical tradition, because Magna Carta itself mentions the importance of maintaining fish weirs in the River Thames. He has drawn attention to one of the great successes of recent decades: the renewal of marine and river life in the estuaries of the Thames and other rivers that serve our country’s great industrial cities. I hope the money that was announced recently will enable that development to be taken further forward.

Mike Gapes (Ilford South) (Lab/Co-op): May we have an early debate on rules of origin documentation, particularly the fivefold or sevenfold increase that will be required when this country leaves the customs union?

Mr Lidington: I agree that that is an important subject, and I am sure that the hon. Gentleman will be ingenious enough to raise it in the course of numerous debates we will have on European issues in forthcoming months.

Sir Edward Leigh (Gainsborough) (Con): This is not the day to labour the point—I do not expect the Leader of the House to reply to this in any detail—but when we finally have the long-delayed debate on whether the House should leave this building in the full decant that is proposed, we should, in the light of what has happened in the past 24 hours, give great consideration to both the symbolism of this place and the security considerations of dispersing MPs and peers around Parliament Square.

Mr Lidington: The security of not just Members, but of staff—let us never forget that there are something like 14,000 passholders to the parliamentary estate—is at the forefront of the consideration by the parliamentary officials who have been leading on this matter. I can assure my hon. Friend that, whatever is finally approved by this House and the House of Lords, as these works are carried through, on whatever timescale and in whatever fashion, security will continue to be at the forefront of everybody’s mind.

Greg Mulholland (Leeds North West) (LD): It was very striking this morning coming into this place to see so many police officers on duty, not only protecting us but mourning their colleague, the hero PC Keith Palmer. His death in active service, protecting us here, is a reminder that there are families of murdered police officers and of lost loved ones from our armed forces who have still not received proper compensation. Can we look at that issue again, and ensure that the families of every single person who dies in active service in our police force or in our armed forces are properly compensated for the rest of their lives?

Mr Lidington: It would indeed be good to find a way in which one could spare people the need to go through long and complex litigation to get the compensation that they deserve. That may be something that the hon. Gentleman can raise either in Westminster Hall or through the medium of the Backbench Business Committee.

Sir Paul Beresford (Mole Valley) (Con): As Chairman of the Administration Committee, may I support all the thanks that have been made to the staff, as they were fantastic yesterday. We will mop up and follow up afterwards.

Coming back to business as usual, may I anticipate that we will have a motion on the restoration and renewal of the Palace? When it arrives, may I ask that it is a full-day debate, and that it is held on a day when we anticipate the House to be as full as it ever is—in other words Monday, Tuesday or Wednesday, but not Thursday or, obviously, Friday?

Mr Lidington: We will be making provision and announcing a date for a debate as soon as we possibly can. Clearly, the point that my hon. Friend has made is one consideration that we will take into account.

Mrs Madeleine Moon (Bridgend) (Lab): I have represented this House for seven years on the NATO parliamentary assembly. During the lockdown yesterday, there were messages coming into me from all over the NATO parliamentary family, offering solidarity and support, including from the headquarters in Brussels where people had just commemorated the attack on Brussels a year to the day. I wanted to pass that on to the Leader of the House and Members present.

Can we have a debate on the issues of tolerance and understanding, which were so stressed during the statement from the Prime Minister, within the Church in Wales? We have many opportunities to question the Church Commissioners via their representative here in the House, but we have no such opportunity in relation to the Church in Wales. May we have a debate on how we can make that possible?

Mr Lidington: Like the hon. Lady, I have been very struck by the spontaneous and very strong expressions of solidarity that many hon. Members and the Government have received from democracies and elected representatives around the world. On her point about the Church in Wales, although I understand her wish for a debate, I cannot offer one in Government time precisely because the Church in Wales is disestablished. She may be successful in securing a Westminster Hall opportunity.
Mr Peter Bone (Wellingborough) (Con): The negative procedure for statutory instruments should be used for uncontroversial matters. I am very grateful that the Government have accepted that when they are prayed against they will be debated.

Returning to normal, we are obviously going to have a lot of Bills in relation to the EU in the next Parliament, and we will also want to continue with normal business. Has the Leader of the House given any thought either to extending the sitting hours, or sitting on the Fridays that we do not sit for private Members’ Bills, and could we have a statement next week?

Mr Lidington: I cannot promise my hon. Friend a statement next week. How we allocate time, given the exceptional pressure that there will be on legislative time because of the legislation that is needed to exit the European Union, is something that I and other business managers are taking very seriously indeed. We are spending a lot of our time reflecting on how best that might be achieved.

Diana Johnson (Kingston upon Hull North) (Lab): May I start by expressing my condolences to the family and friends of PC Keith Palmer? Today, more than ever, I would like us to think about the innate goodness and solidarity of people in this country.

In that vein, can we have a debate on the honours system? Jean Bishop, who is 94 and lives in Hull, dresses up in a bee costume and has been able to raise £117,000 for Age UK. Before her 95th birthday, she wants to get to £200,000 for that charity. She has been put forward for honours before, but has never received one. A 13-year-old girl in Hull has now started a petition. Some 3,500 people have said that they think that Jean deserves an honour. Can we have a debate about honouring people such as Jean?

Mr Lidington: The hon. Lady has put her case eloquently. Many of us here will know of comparable examples of local heroes and heroines who have voluntarily given of their time, effort and money often over many, many years in the service of their fellow citizens. The best advice I can give is for her to present a strongly argued, persuasive case with as many other supporters as she can from Hull to the secretariat at the Cabinet Office, which is in charge of making initial recommendations on honours.

Jeremy Lefroy (Stafford) (Con): May I associate myself with the words of the Prime Minister, the Leader of the House, and all other right hon. and hon. Members about yesterday’s events?

Mr Lidington: That is a matter that the hon. Gentleman will want to take up directly with Justice Ministers. The purpose of the prison-building programme is that we should have a new generation of modern prisons that really are fit for purpose, in order to deliver a regime that is both secure and—precisely because it is secure—that provides greater opportunities for work and education, which are so vital if we are to make a success of rehabilitative policies. At the same time, the programme would free up older prisons, usually in city centres, which, frankly, should be phased out now, and which could mean a significant capital return for Government that we can then invest in modern facilities.

Martin Vickers (Cleethorpes) (Con): I, too, put it on record that my thoughts are with the family and friends of PC Palmer and all those who suffered as a result of yesterday’s events.

New Waltham Parish Council in my constituency has written to the Transport Secretary about what it regards as a complete waste of money—a proposal by North East Lincolnshire Council to install traffic signals at Toll Bar roundabout in the parish. That proposal has angered and perplexed many people in the area. It is being carried out with Government money, so could we have a debate on how local authorities spend the many billions of pounds that the Government hand to them?

Mr Lidington: One of the important roles of both lower-tier authorities, such as parish councils, and Members of Parliament is holding local authorities to account for their stewardship of the scarce and finite resource of taxpayers’ money. I am in no position to comment in detail about traffic lights at roundabouts in my hon. Friend’s constituency, but he is clearly not going to let this issue go.

Stephen Timms (East Ham) (Lab): The cuts to the personal independence payment explicitly exclude people applying for mobility support if the problem arises from psychological distress, despite the Prime Minister’s commitment to treat mental health problems on a par with physical health. I am grateful for the Leader of the House’s commitment that we are finally going to have a debate, but can I press him for a date? Those cuts have already taken effect, but it sounds as though the debate will now have to be after the Easter recess. Can he at least give us a firm date for when it is finally going to happen?

Mr Lidington: I want to reassure the right hon. Gentleman on the design of the personal independence payment. It is at the very core of the personal independence payment system that non-physical conditions should be
given the same recognition as physical conditions. We already see the outworking of that in the fact that a significantly higher proportion of people who have mental health issues receive the top rates of PIP than was the case with disability living allowance.

Tom Pursglove (Corby) (Con): May I also associate myself with all the tributes that have been paid today? We have seen the House at its very best and, ultimately, our democracy will not be silenced.

The Corby urgent care centre is a vital NHS service, and I am pleased that the local clinical commissioning group has confirmed that its doors will absolutely not close on 31 March. Will the Leader of the House join me in urging the clinical commissioning group to resolve some of the contractual issues with Lakeside+ to give my constituents greater reassurance and to make sure that we continue to have the quality of service that people have come to expect—and, of course, can we have a debate next week?

Mr Lidington: I think that my hon. Friend will have to take his chance with Adjournment debates on that particular subject. It is clearly important that, while decisions about the configuration of health services are taken possibly in light of local circumstance, commissioning groups manage their relationships with their contractors effectively so that local people can be assured of receiving the decent service to which they are entitled.

Marion Fellows (Motherwell and Wishaw) (SNP): I associate myself with all the remarks and condolences that have been expressed so eloquently this morning. I refer particularly to my hon. Friend the Member for Perth and North Perthshire (Pete Wishart) who mentioned going home; I am going home tonight, and I am very grateful to be doing so. Unfortunately, I will miss a rally at the bottom cross in Wishaw; it has been organised quickly to support the refugees that we will soon be welcoming and against a proposed Scottish Defence League march in Wishaw against refugees.

I thank the Backbench Business Committee convener, the hon. Member for Gateshead (Ian Mearns), and the Leader of the House for their consideration of the changes to timings of Westminster Hall debates on Tuesday 18 April. My debate is on the child maintenance service; I have received support from Members across the House, and it really is important. I do not mind travelling on bank holiday Monday to get here—I know how important it is—but I understand the difficulties that many Members will have in getting to a debate at half-past 9 on that day. I appreciate all the efforts that the Leader of the House has said he will look to make.

Mr Lidington: I am grateful to the hon. Lady, and we will do our best to accommodate the problems that she has identified.

Mr David Nuttall (Bury North) (Con): Item No. 3 on today’s Order Paper, titled “Business of the House (29 March)”, makes reference to a motion being tabled “in the name of the Prime Minister relating to exiting the European Union and the Environment”.

That was not mentioned in the business statement, so could the Leader of the House clarify the matter? In the light of yesterday’s events, may we please have a debate on community cohesion and the Prevent strategy?

Mr Lidington: The answer to my hon. Friend is that yesterday’s business was interrupted for the reasons we all know about. That business on the Pension Schemes Bill has had to be rescheduled, and conversations through the usual channels agreed that that slot on 29 March was the best way to accommodate that.

Bill Esterson (Sefton Central) (Lab): I was surprised to receive a letter from the Minister of State for Transport this week. My surprise was because it referred to improvement works on the M25 motorway, which is some distance from my constituency. I was even more surprised, because I had just written to the Secretary of State about a number of serious accidents at Switch Island, which is in my constituency. Will the Leader of the House please remind the Secretary of State of the need to respond to my letter? Serious accidents are happening far too often. My constituents care about Switch Island, not the M25, and all that has happened is a repeat of the idea that investment happens in the south-east of England at the expense of the north-west.

Mr Lidington: I know from personal experience that my right hon. Friend the Secretary of State for Transport takes very seriously his responsibility to ensure that Members receive accurate and comprehensive replies to points that they make about their constituencies. I will draw to the attention of the Secretary of State’s office the need for that reply to be sent.

Graham Evans (Weaver Vale) (Con): May I take this opportunity to thank you, Mr Speaker, and your staff—I notice Mr Deputy Speaker there—for the way you all conducted yourselves yesterday? Indeed, I also thank the Leader of the House and the Serjeant at Arms? As chairman of the all-party beer group, I invite everyone and their staff to share a great British pint and then to carry on at a later date and place to be confirmed. May we have a debate on the contribution of the brewing industry to the United Kingdom and its culture?

Mr Lidington: I thank my hon. Friend for his kind remarks. One of the remarkable things we have seen in the brewing industry in the past couple of decades has been the surge in the growth of small-scale breweries. It is a real tribute to the sector’s enterprise that we have seen microbreweries and craft breweries taking off and continuing to win new discerning drinkers as their customers.

Clive Lewis (Norwich South) (Lab): I put on record my thanks to the staff and to all those outside this House—members of the public—who have sent their kind thoughts and wishes in the past 24 hours. It has been very touching, and I thank them very much.

I also add my voice to the chorus of Members who are calling for more time to debate the Government’s new funding formula—or, as Labour Members call it, education funding cuts. Headteachers across Norwich and Norfolk have taken the unprecedented step of sending letters to children’s parents about the impending budget crisis at a time when precious financial resources...
are being spent on more free schools and grammar schools rather than those schools that we already have. Some 25 out of 31 schools in my constituency will receive funding cuts, and I would like more time to debate that.

Mr Lidington: As I have said, the Secretary of State will be considering the recently concluded consultation on the new funding formula. She will announce her proposals in due course, and that would be the appropriate time for her to be questioned, or for any debate to take place.

Henry Smith (Crawley) (Con): I was honoured to open two new business premises in my constituency earlier this month—for 4D Data Centres and Inspiration Healthcare. I was also pleased to visit two new facilities at Crawley hospital: a clinical assessment unit and a 26-bed ward. May we have a debate on the importance of further engendering economic growth, as this Government are doing, so that we can afford better public services?

Mr Lidington: My hon. Friend makes an important point: we cannot distribute wealth unless business has created it in the first place. It is the job of government, and this Government’s commitment, to foster the economic climate in which businessmen in every part of the United Kingdom—[Interruption]—and indeed businesswomen, can help to generate economic growth and drive the numbers in employment up even higher than the record levels that they have now reached.

Patricia Gibson (North Ayrshire and Arran) (SNP): I am pleased to have the opportunity to share in the sentiments that have been expressed today and the condolences that we have sent from the House. I also thank all the staff for their work yesterday.

I have been quite concerned about recent comments from people on social media who have boasted about signing a UK parliamentary petition 2,000 times. Given that these petitions often influence what MPs debate, will the Leader of the House reassure the House by setting out what measures are in place to ensure the validity of signatories to any parliamentary petitions so that we can all be confident about the integrity of petitions, and that they are signed only once by those who are entitled to do so?

Mr Lidington: There is a system in place to try to check for the risk of bogus signatories to petitions. Given the pace at which information technology moves, those systems clearly need to be updated from time to time. The Petitions Committee and the House authorities are keen to act on the basis of any evidence of malpractice such as that described by the hon. Lady.

Liz McInnes (Heywood and Middleton) (Lab): Following the horrific events of yesterday, the Prime Minister said in this House today that she wanted all MPs to learn life-saving first aid skills. With that in mind, can we revisit the debate on compulsory first aid education in schools, which was the subject of a private Member’s Bill that was sadly talked out by Government Members?

Mr Lidington: I think that my right hon. Friend the Prime Minister encouraged people to acquire those skills. Whether the best way to do that is by making such education a compulsory part of the school curriculum is a slightly different question. It is a perfectly reasonable element of the debate, but allocating time to such skills lessons would inevitably mean prolonging the school day or taking time away from other activities. The Government’s general approach is that we want to give local schools and headteachers discretion about such things.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): May I associate myself and my constituents with everything that has been said this morning about yesterday’s horrific attack, which goes to show that evil will never prevail? I recently met a constituent called Ellen Höfer-Franz. She is a German national who, despite having lived in Scotland for nine years, is very concerned about applying for permanent residency to ensure her status following Brexit due to changes made in 2011 to the rules on comprehensive sickness insurance. May we have a debate about this specific issue to clarify the situation for EU nationals such as Ellen who are concerned about their future?

Mr Lidington: The hon. Gentleman could raise this matter on behalf of his constituent in any of the frequent opportunities that we have to debate European matters. I hope that he understands that the Government’s objective is to seek, at a very early stage in the forthcoming negotiations, an agreement with the 27 other members of the European Union that each other’s nationals should continue to have rights of residence and other connected rights, if they have been lawfully established here.

John Woodcock (Barrow and Furness) (Lab/Co-op): Will the Leader of the House and the Environment Secretary please consider the need for an urgent debate on the Zoo Licensing Act 1981, the alarming inadequacy of which has been exposed at South Lakes Safari Zoo in my constituency, which the Leader of the House might have seen in the news of late? There is a catalogue of reasons why the Act and licensing regulations need to be modernised and professionalised. The matter has not been debated in the House for many years; in fact, the last debate was four years ago in the other place.

Mr Lidington: I did, indeed, read the newspaper reports about what seems to have been a pretty appalling case of mismanagement and the ill treatment of a large number of animals at that zoo. There will be questions to the Secretary of State for the Environment, Food and Rural Affairs on Thursday 20 April, but the hon. Gentleman will probably want to seek an Adjournment debate in the Chamber or a debate in Westminster Hall.

Patrick Grady (Glasgow North) (SNP): The Leader of the House keeps suggesting that people apply for debates in Westminster Hall, but what is the point when Ministers’ responses are so woefully short? There seems to be a particular problem with the 11 am slot on a Wednesday. Library research shows that the average ministerial response to such debates since January has lasted 10 minutes and that the debates are finishing early. I understand that Ministers need to rush up here to fill the Back Benches for Prime Minister’s questions, but surely those debates, which are important to our constituents, should have the courtesy of a decent response from Ministers.
Mr Lidington: A courteous and decent response can also be pithy and succinct. In the days when I had to reply to numerous Westminster Hall debates, we always seemed to need additional time to accommodate the many speeches, but I often found that my remaining time at the end of a debate was squeezed hard, including by spokesmen for the hon. Gentleman's party.

Clive Efford (Eltham) (Lab): May I associate myself with all the tributes that have been paid in the House regarding yesterday's tragic events?

It should send a strong message to the Secretary of State for Education when Opposition Members like me are entirely united with the hon. Member for Shipley (Philip Davies) on the funding formula for education? Many schools face severe deficits and need to be able to plan ahead urgently. I hear what the Leader of the House says about the consultation only ending yesterday, but I urge him to say to the Secretary of State that we need an early statement so that schools can plan ahead.

Mr Lidington: My right hon. Friend the Education Secretary is aware of the need for headteachers and governing bodies to be able to plan, as the hon. Gentleman rightly says, but I will certainly ensure that she is aware of the opinions that have been expressed today.

Jim Shannon (Strangford) (DUP): The Prime Minister stated in her speech last night that the UK sets an example for advancing freedoms, including the freedom of religion or belief. The Foreign and Commonwealth Office also made a commitment at the October conference to pursue the freedom of religion or belief at the Human Rights Council. Will the Leader of the House arrange for the relevant Minister to make a statement to confirm that FCO and Department for International Development desk officers, as well as UK embassies, fully recognise the importance of religious freedom and promote it in their daily work?

Mr Lidington: I do know that the question of the Chennai Six has been raised with the Indian authorities at the highest political level, as well as repeatedly at official levels. I will ask the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Reading West (Alok Sharma), as the Minister responsible for policy towards India, to write to the hon. Lady.

Kirsten Oswald (East Renfrewshire) (SNP): May I associate myself with the expressions of sympathy today and with the appreciation that has been expressed for those who keep us safe, including the brave police officers?

May we have an urgent debate on the plight of the Chennai Six, who include my constituent Billy Irving, given the Foreign Office's shocking lack of disclosure and communication with families and MPs about the horrific assault on one of the men, who suffered forced incarceration in an Indian mental hospital and the forced administration of drugs, and given that the Minister concerned is apparently currently unable to personally meet terrified family members to reassure them?

Alan Brown (Kilmarnock and Loudoun) (SNP): My constituent Steven McColl from Darvel worked for Royal Mail for 28 years and absolutely loved his job. Fifteen years ago, he overcame adversity when he lost his young daughter, who had been diagnosed with terminal cancer, aged just two and a half. He went through that traumatic time, and his Royal Mail manager then wanted to sack him, which is unbelievable. He has since recovered, and he won postman of the year a few years later. However, 15 years after losing is daughter, he was off work ill, due to muscle injuries. Royal Mail forced an ill-health retirement settlement on him after he was off for just four months—it did not even wait a full six months—and his appeal is still ongoing. Royal Mail has refused to engage positively with my office, but the Government still have a Minister with responsibilities for Royal Mail, so will the Leader of the House outline what role that Minister can play and what assistance can be given to stick up for this fantastic and popular employee?

Mr Lidington: I am sure the hon. Gentleman would not expect me to comment on the individual case, particularly because, as he has just said, it is subject to an appeal, presumably through an employment tribunal. I will draw his concern to the attention of the Minister responsible for Royal Mail, but it would not be at all usual for Ministers to intervene in individual employment cases. Royal Mail exists as a corporate entity, and it has to take management decisions about its personnel, among other things, without being second-guessed by Ministers.
Points of Order

1.2 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): On a point of order, Mr Speaker. The Leader of the House repeated a claim that other Ministers have made: that more people with mental health problems are supported by personal independence payments than by disability living allowance. Mind, the mental health charity, has made it clear that 55% of people with mental health awards on DLA, when reassessed for PIP, have no or a reduced award. How can I get the record corrected and push the Leader of the House for a date for a debate on the new regulations?

Mr Speaker: The pursuit of a debate has been single-minded and persistent on the part of the hon. Lady, and it shows some sign of bearing fruit. She has made her own point in her own way, and when she asks how she can find a way of putting her concern on the record, she knows perfectly well, as the cheeky grin etched on her face testifies, that she has, in fact, by an abuse of the point of order procedure, found her own salvation.

Bob Blackman (Harrow East) (Con): On a point of order, Mr Speaker.

Mr Speaker: Oh, very well. The day would not be complete without a point of order from the hon. Gentleman.

Bob Blackman: I seek your guidance, Mr Speaker, as to how I can put on record the fact that my Homelessness Reduction Bill passed its Third Reading in the House of Lords, and how I can pay tribute to Lord Best, who piloted it through.

Mr Speaker: The hon. Gentleman, also, has found his own salvation, and it is a delight to observe that that success has brought further happiness into his life, quite apart from the potential benefits that the Bill will confer upon those whom he has in mind.

Declarations of Interest

1.4 pm

Nigel Adams (Selby and Ainsty) (Con): On a point of order, Mr Speaker. As you will be aware, the Committee on Standards has today published a report, following an inquiry into my declarations of interests during Select Committee inquiries last year, and it has found that there were breaches of the code. The report states that the Standards Committee found that these breaches were very minor. I am grateful that the Committee also concludes that I was seeking to act within the rules and, additionally, that there was no intention on my part to conceal my interests. However, I would like to take this—the earliest—opportunity to offer a full apology to the House.

Mr Speaker: I thank the hon. Gentleman for what he has said.
Backbench Business

Equitable Life Policyholders: Compensation

1.5 pm

Bob Blackman (Harrow East) (Con): I beg to move,

That this House welcomes the Government’s acceptance in full of the Parliamentary Ombudsman’s findings in relation to its maladministration with regard to Equitable Life; notes that the Parliamentary Ombudsman recommended that policyholders should be put back in the position they would have been had maladministration not occurred; further notes that the overwhelming majority of victims have only received partial compensation compared to the confirmed losses directly attributed to regulatory failures; regrets that the Government made no further funding available in the Spring Budget 2017; and calls on the Government to make a commitment to provide full compensation to victims of the scandal as the economy continues to recover.

I draw the House’s attention to my declaration in the Register of Members’ Financial Interests, as I am the co-Chair of the all-party parliamentary group for justice for Equitable Life policyholders.

This saga has been going on for more than 25 years. There have been debates in this House on many occasions. I am delighted the Government took action as early as 2010 to provide compensation for the victims of this scandal. This is a unique scandal, and there are three sets of individuals involved. For the benefit of all Members, I will in due course briefly go through the issues faced by those three sets of people.

It is clear that this is a unique case. When I stood for election in 2010, individual candidates made relatively few promises and pledges, but one of the pledges I made was to seek full compensation for Equitable Life policyholders, and I can assure those affected that I and my colleagues will continue this fight until every policyholder has received the full compensation they are due.

Sir Desmond Swayne (New Forest West) (Con): Given the failure of the regulator to identify, let alone expose, the problem, what information was in the public domain that a savvy investor could have taken into account and that might have alarmed him?

Bob Blackman: That intervention goes to the heart of the matter. The reality is that people who were investing their life savings in pension schemes, from the time when it was possible to take out personal pensions, were persuaded by unscrupulous Equitable Life salespeople to transfer those life savings—their hard-earned money—into a Ponzi-like scheme. They were promised bonuses that were unachievable, and the regulator knew they were unachievable. All was well while enough money was coming in, but eventually, as we know, the money coming in was insufficient to pay the bonuses expected, and disaster loomed. The key point, as my right hon. Friend points out, is that there was no information in the public domain, and individuals could not have known that they would be affected, but they were none the less. The regulator, who should have been overseeing this, knew what was going on, and the Treasury knew what was going on, but no one took any action. This was hidden because the cost of collapse to the public purse was so immense that this could not be allowed to continue.

Neil Parish (Tiverton and Honiton) (Con): I thank my hon. Friend for bringing this issue to the House yet again because policyholders with Equitable Life have been very badly treated. The finances of this country are now much improved, and it is true that we looked yet again at the situation of these policyholders, because their policies were oversold and actuaries hyped up their value well beyond anything that could be delivered, even at the time. Many people have never been held to account, but the policyholders have had millions of pounds taken from them through their insurance policies and pensions.

Bob Blackman: I thank my hon. Friend for that lengthy intervention. The reality is that, as he suggests, there are more than 1 million victims. The former Chancellor, my right hon. Friend the Member for Tatton (Mr Osborne), accepted at the Dispatch Box that the total sum to be paid in compensation should be £4.1 billion, but 895,000 people have received only 22% of their losses. The payments process has been less than transparent, and policyholders have no way to check the calculations that have been made. That creates a difficulty for all who support the policyholders; at this point, I want to pay tribute to the Equitable Members Action Group, which has done such diligent work on their behalf.

John Pugh (Southport) (LD): Given the failure of regulation and the Treasury’s knowledge of it, as the hon. Gentleman outlines, this is a matter of obligation for the Government, is it not? No individual can discard their obligations because they do not have enough cash, and the Government do have enough cash at the moment.

Bob Blackman: I believe that this is a debt of honour. I do not expect my hon. Friend the Economic Secretary to the Treasury to announce that he will open the Treasury chequebook and pay the full compensation today. I have sympathy with the suggestion that, because of the most recent decisions on national insurance, the Budget has not yet been brought into balance. As the motion states, however, I believe that in the long run, as the economy recovers, this debt of honour should be satisfied, and I think that there is a way to do so within the remit of the legislation and the capability of the Treasury.

Rebecca Pow (Taunton Deane) (Con): My hon. Friend is making a very good case. I, too, have been contacted by many constituents about this issue. I understand the Government’s position, but the public finances are looking better than they were when this all hit and we have cut the deficit by two thirds. On behalf of my constituents, I urge the Government to continue to look at the matter to see whether they can help these very deserving people, and I am sure that he will support me.

Bob Blackman: As I have said, this is a debt of honour and the economy is recovering. In the long term, we should compensate in full all those who suffered, through no fault of their own. We are encouraging people from across the country to invest in savings for their retirement, so they need to know that the regulator and the Government will safeguard and look after their savings and make sure that they are not shortchanged as the vulnerable people we are discussing have been.
Kate Green (Stretford and Urmston) (Lab): I draw to the attention of the House my interest as a policyholder—mercifully, a very small one—in Equitable Life. I lost a few hundred pounds, but others lost very much larger sums. I endorse everything that the hon. Gentleman says. He has mentioned the lack of information accessible to the public. Does he agree that one of the most shocking things was the fact that, right up to the end, advertising continued to encourage people to put their savings into Equitable Life? I remember distinctly seeing large advertisements on the tube in 2000, weeks before the company went down.

Bob Blackman: Quite clearly, there was irresponsibility. I would absolve the current leadership of Equitable Life from that, because it has been co-operative in every way. It has identified the policyholders and assisted the Government and EMAG to ensure that everyone could be compensated. That does not apply to the previous management, however.

Let us turn to the current position. I applaud the Government for honouring the pledge to provide compensation to Equitable Life policyholders immediately after the 2010 general election. At that point, £1.5 billion was set aside to provide compensation. That was too little, and there is still a debt of honour, as I have said.

There are effectively four sets of people involved. The with-profits annuitants, of whom there are 39,858, have been paid out £336 million. The pre-’92 trapped with-profits annuitants were left out of the scheme quite deliberately, because the Government took the view that anyone who took out a policy before 1 September 1992 was outside the compensation limit. That, to me, was wrong, because those people could not have known that this scandal was going on. But I am delighted that the then Chancellor provided an ex-gratia payment of £5,000 to 9,000 people and that he extended it to £10,000 for those on pension credit.

We also have the non-with-profits annuitants, of whom there are 1,000,605. They have received, thus far, £749 million, but that represents only 22.4% of their losses. That is an arbitrary number. If the Government have accepted that they are responsible for the pensions of those individuals, it cannot be right that they receive an arbitrary percentage merely because that is the balance left of the money that was set aside. All I ask is for my hon. Friend the Economic Secretary to say that the Government will keep that under review and that, as the economy recovers, the compensation should be paid out.

Alex Chalk (Cheltenham) (Con): Policyholders in my constituency who did the right thing have been left in dire straits through no fault of their own. Given that even modest additional sums can make a difference, does my hon. Friend agree that it must be possible, at the very least, to do better than 22% and to link that to the improving public finances?

Bob Blackman: I agree with my hon. Friend. Friend that we can, and should, do better. The current position is unfair on those individuals, many of whom are approaching retirement and seeking to draw on their pension pots but do not know what security they will have in their old age. For them to get just 22.4% is absolutely unacceptable, and the battle will continue until such time as they receive the compensation that they are due.

Jeremy Lefroy (Stafford) (Con): I am grateful to my hon. Friend for all the work that he has done, over many years. He deserves huge credit for that. Does he agree that when we are quite rightly seeking to show that the United Kingdom is the world financial centre, we need to show that we have the best possible regulation and that we are prepared to stand behind people who have been let down by regulation in such cases?

Bob Blackman: I thank my hon. Friend, and I trust that he will make a further contribution to the debate later. The position is as he has set out. We should ensure that the City of London remains the financial centre of the world, and we must show that we can be trusted to look after people’s investments.

Patrick Grady (Glasgow North) (SNP): I congratulate the hon. Gentleman on securing the debate. I, like other Members, have a number of constituents who are affected by this. He talks about people reaching their old age. In addition to the fact that the compensation is too little, is there not an increasing risk that it will come too late? The longer justice is delayed, the greater the chance that it will be denied.

Bob Blackman: Indeed. Unfortunately, as we know, many of the individuals affected by the scandal are deep into old age. They may be very vulnerable, and, regrettably, there are fewer and fewer of them every day. For every day that goes by without them receiving proper compensation, the scandal is maintained.

Robert Neill (Bromley and Chislehurst) (Con): My hon. Friend just made an important point about the significance of London’s international reputation. That depends, in part, on the strength of our regulatory environment. Does it not follow, as a matter of both good policy and common decency, that when there is a massive regulatory failure, the Government should be seen to stand behind those who lose out as a consequence?

Bob Blackman: I absolutely agree with that comment. I want to say something about the commitments we have made, which are very important. As I have said, the former Chancellor accepted the reality of the situation at the Dispatch Box. He said:

“I accept the findings of the parliamentary ombudsman in full.”—[Official Report, 20 October 2010; Vol. 516, c. 960.]

Let us be clear about the parliamentary ombudsman’s findings at the time. There had been 10 years—a decade—of regulatory failure, which was responsible for the losses suffered by pensioners when Equitable Life collapsed. In her report, which was 2,872 pages long by the way, she recommended that the Government

“should restore complainants to the position they would have been in, had maladministration not occurred”.

I believe that we should ensure we honour the commitments we have made and honour the situation in law.

I note that my hon. Friend the Economic Secretary is a former member of the all-party group and a strong supporter of justice for the Equitable Life policyholders. I know him to be an honourable man, and I know he will want to do the best he can for the people who have suffered such losses.
The ask today is very simple. The pre-1992 trapped annuitants, who are the most vulnerable group—I am afraid that, every day, fewer and fewer are with us any longer—should be compensated in full, even though that is outside the scope of the legislation. Full compensation for those individuals would cost the Government less than £100 million. For the people who have received compensation for 22.4% of their losses, a plan should be set out to enable them to receive full compensation. I am not expecting that to happen straightaway—it may take time—but those people should receive compensation as the economy recovers. We could have a plan so that, in line with the recovery of the economy, much more money is paid out. That would fair, reasonable and—dare I say?—equitable.

In conclusion, I look forward to my hon. Friend giving us some commitments and clear guidance on what the Treasury will do to assist people who invested and did the right thing. This House owes a debt of honour to those individuals, and those of us who support these honourable people will not rest until such time as they receive every penny piece of the compensation to which they are entitled.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I tell Members that if they take about 10 minutes, everyone will have an equal time, including for the second debate?

1.22 pm

Fabian Hamilton (Leeds North East) (Lab): It is a pleasure to follow the hon. Member for Harrow East (Bob Blackman), with whom I have worked for the past few years as—I should declare this—the co-chair of the all-party group on justice for Equitable Life policyholders.

I am very sad that after so many years of debating this issue in this House, we are back once again talking about the continuing losses suffered by hundreds of thousands of Equitable Life policyholders. As we have heard, they invested in the world’s oldest life assurance company in the belief that they would be able to have a comfortable old age, but instead, after a lifetime of saving, they find themselves sometimes destitute, and often much poorer through no fault of their own.

Andrew Selous (South West Bedfordshire) (Con): Does the hon. Gentleman agree that the issue is not just one of restitution for our constituents who have lost out, but one of confidence in the whole savings culture for future generations, which is very important, and that the two issues are linked?

Fabian Hamilton: Indeed, I do agree, and I will go on to say something about that, but there is also a third dimension, which is that we have a moral duty to ensure that the Equitable Life policyholders are compensated. How have we arrived at this situation at this point in time, 17 years after Equitable closed its doors to new investors and seven years after the previous Government promised to ensure that the losses incurred by Equitable policyholders would be compensated? My first involvement in the Equitable saga was to speak in an Adjournment debate that I secured in Westminster Hall on 24 June 2009. In that debate, I spoke about the serious issues facing all our constituents since the crash of Equitable Life, following its inability to meet its obligations and the promises it had made to investors over the decades. Equitable Life started selling pensions as early as 1913, but it was not until 1957 that the society started selling its now infamous guaranteed annuity rate pensions, which promised a clear and unambiguous return on the capital invested. That carried on until 1988, when the society realised that its rates were so good and so far ahead of the rest of the market that they were, in reality, totally unsustainable. In December 2000, Equitable Life was forced to close to new business.

Sir Peter Bottomley (Worthing West) (Con): In that year, there was the, to me, rather surprising Appeal Court judgment regarding those who had contracts saying that if they put in more money, they would get greater rates of return. The judgment totally missed the fact that all the policyholders were members of the society. The senior judges did not fully understand the consequence of what they were doing, and it was unfair to too many.

Fabian Hamilton: I completely agree with the hon. Gentleman. Unfortunately, the time available limits what I can say about the judgment, and I want to talk about what we need to do now.

By the time Equitable was forced to close, it had more than 1.5 million members, and was one of the biggest societies in the world.

Kate Green: Does my hon. Friend agree that many of the members were in modest employment with modest earnings, often in the public or voluntary sector?

Fabian Hamilton: I certainly do agree, and I will go on to make that point. It is the very reason I took up this cause in the first place. Like many of my colleagues, I had believed that only the wealthy invested in Equitable—people with hundreds of thousands of pounds to put into their pensions seeking to make a huge return—but I discovered that, in fact, the average pension pot was just £45,000. Ordinary people, saving £20 or £30 a month over a working life, were investing in Equitable.

Alex Chalk: Does the hon. Gentleman agree that there is an important business case, as it were, for the Government to do more? If people cannot support themselves without the income that they expected, the burden of doing so will fall on the state, which means there is all the more reason to do more now.

Fabian Hamilton: Absolutely. That is a very good point. People were encouraged to save for themselves exactly because neither the state nor the individual wanted people to have to depend on the state always coming up with the money necessary to enable them to have a full and enriching retirement. It was about self-reliance, which has been at the core of the arguments today and over many years in debates in this House. The people who were helping to provide for themselves and who were encouraged to invest in Equitable are the very people who have been let down. They are not the wealthy, but the ordinary people who were putting aside a little bit more for their retirement so they could have a comfortable retirement, and that money has now gone.
Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman mentions that over 1 million people subscribed to the Equitable Life pension funds. Over 900 of them are in my constituency, many of whom, as he says, are people who are just about managing. They have done the right thing, but they are now, at the very best, just about managing. This is about maladministration under previous Governments, so is it not incumbent on this Government at least to open the door a little more under previous Governments, so is it not incumbent on best, just about managing. This is about maladministration.

Fabian Hamilton: I thank the hon. Gentleman for his intervention, because one of the great things we do in this House is to work on moral issues such as Equitable together, across party lines. I am proud to work with the hon. Member for Harrow East—I hope he will allow me to call him an hon. Friend—because he has done an awful lot, and I pay tribute to him for the work he has done. I have done my best to work collectively and collaboratively as the co-chair of the all-party group, because we need to do this together. This is a moral issue, as I shall come on to elaborate.

In July 2008, the parliamentary ombudsman published her first report on Equitable Life, “Equitable Life: a decade of regulatory failure”. On 11 December that year, the Public Administration Committee produced a report entitled “Justice delayed”, which said:

“Over the last eight years many of those members and their families have suffered great anxiety as policy values were cut and pension payments reduced... Many are no longer alive, and will be unable to benefit personally from any compensation. We share both a deep sense of frustration and continuing outrage that the situation has remained unresolved for so long.”

Well, there has certainly been no shortage of reports, just a shortage of justice for those who, through no fault of their own, suffered huge losses in the life savings they had accrued over years of hard work.

At the core of the problem is the fact that Equitable Life simply could not meet the obligations it had made for itself, because it had made no provision for guarantees against low interest rates on policies issued before 1988. It therefore declared bonuses out of all proportion to its profits and assets.

Following the ruling of the House of Lords in July 2000, the society effectively stopped taking new business in December of that year, which spelled the end for Equitable. More than 1 million policyholders found that they faced severe cuts in their bonuses and annuities, which caused a huge loss of income on which many small investors were depending. After all, as I have said, the average investment among the 500,000 individual policyholders was just £45,000, which even at its height, according to the Equitable Members Action Group, would have yielded no more than £300 per month.

In its December 2008 report, one of the many recommendations of the Public Administration Committee stated:

“We strongly support the Ombudsman’s recommendation for the creation of a compensation scheme to pay for the loss that has been suffered by Equitable Life’s members as a result of maladministration. Where regulators have been shown to fail so thoroughly, compensation should be a duty, not a matter of choice.”

Reacting to the Government’s lack of response to the ombudsman’s report, the then Conservative Opposition expressed their determination to introduce an Equitable Life (Payments) Bill early in the next Parliament, should they form a Government after the general election of 2010. The legislation planned in the coalition agreement did, indeed, include such a Bill and it was introduced in June 2010, shortly after the new Government took office.

On 10 November 2010, I tabled an amendment to the Bill in Committee, supported by my hon. Friend the Member for Harrow East, that would have included the pre-1992 with-profits annuitants—WPAs—who had been specifically excluded from the proposed compensation scheme contained in the Bill. The Bill offered 100% compensation to all with-profits annuitants who had taken out their annuities after 1 September 1992 and, as we have heard, 22% compensation to every other policyholder. Many Members from all parts of the House felt that that was inherently unfair, as the date of 1 September 1992 was somewhat arbitrary. That relatively small group of with-profits annuitants were the eldest and by far the most vulnerable policyholders. Many of them would not even live to enjoy the compensation, were it to be paid. Indeed, that has been borne out in reality.

My amendment to the Bill simply read:

“Payments authorised by the Treasury under this section to with-profits annuitants shall be made without regard to the date on which such policies were taken out.”

The Public Bill Office helped me to draft that amendment. The debate on the amendment took just over two hours, but the Division was lost by 76 votes in favour to 301 against. The debate did, however, strongly set out the case for including the pre-1992 with-profits annuitants.

The Bill received Royal Assent in early 2011 and the compensation scheme was set in motion. At first it was slow, but it began to pick up over the subsequent years. By the end of January 2015, more than £1 billion had been paid out to 896,367 policyholders, although more than 142,000 policyholders were still to be found and could not be traced. The scheme, as we know, has now closed. We also know that 37,764 with-profits annuitants, or their estates, were issued payments by the scheme. Those initial and subsequent payments totalled £271.4 million.

In conclusion, I have to give credit to the coalition Government for introducing a compensation scheme from which the majority of Equitable policyholders received 22p in the pound. I am sure we would all agree that that is a lot better than nothing. However, when we examine the compensation that was paid to Icesave investors following the collapse of the Icelandic banks in 2008, from which every investor received up to £50,000 of their losses in full, the Equitable scheme looks rather less than generous. Given that the average policy involved a total sum invested of £45,000, as I have said, it seems rather unfair to Equitable policyholders that they did not receive more. That is why EMAG continues to campaign for full compensation for all Equitable policyholders in a reasonable way—in line with the growth of the economy, not all at once—and why so many Members from all parts of the House continue to support that view.

Equitable policyholders have been very patient. They understand that the recession, at the time, meant austerity and a huge shortage of money for many parts of Government and the state. What they cannot understand is that, as the economy grows, they are denied any further payments against their very real losses. I have
heard, as many right hon. and hon. Members will have heard, heartbreaking stories from individuals and constituents, some of whom have lost everything, including their homes, all because of Equitable’s failure and the company’s “catastrophic” regulation.

I have said in all my previous speeches in the House on Equitable Life that this is fundamentally a moral issue. When the Government are supposed to protect the life savings of individuals who have been encouraged to provide for themselves, as was the case with Equitable, they have a duty to ensure that the losses incurred are adequately compensated. That obligation should I believe, come above pet projects such as, perhaps, HS2 and even Trident renewal; otherwise, the whole fabric of trust in the state is damaged, which I believe is exactly what has happened in this case. Finally, I urge all Members of this House to continue to uphold the cause of Equitable policyholders and to try to restore their faith in the ability of Members of this House, as the elected representatives of the people, properly to compensate the victims of one of the greatest financial scandals of our age. After all, I believe we have a moral duty and we should not be afraid to carry it out.

Sir Peter Bottomley: On a point of order, Madam Deputy Speaker. I would like to correct an oversight. When I intervened on the hon. Member for Leeds North East, I would like to correct an oversight. When I intervened on the hon. Member for Leeds North East (Fabian Hamilton), I should have declared that I have a small Equitable Life policy.

Madam Deputy Speaker (Mrs Eleanor Laing): We are grateful to the hon. Gentleman for his correction of the record.

1.37 pm

Robert Neill (Bromley and Chislehurst) (Con): It is a pleasure to follow the hon. Member for Leeds North East (Fabian Hamilton) and my hon. Friend the Member for Harrow East (Bob Blackman), both of whom deserve great credit for the work they have done. My hon. Friend also deserves credit for securing the debate. I would call both of them friends outside this Chamber. They have worked tirelessly on this issue.

As the hon. Member for Leeds North East just said, the vast bulk of Equitable Life losers were modest people who had bought in to what successive Governments of all parties had told them was the right thing to do. They were told to save for their retirement, to put something aside, and that they would benefit thereafter. Why did they lose because of catastrophic errors by the company and a catastrophic error of regulation? The Government create the regulator and the regulatory system. The Government, ultimately, must bear the responsibility for that failure. I do not mean that in a partisan sense, but morally they must be prepared to do so.

Sir Desmond Swayne: I have hitherto resisted the case for full compensation on the basis of two arguments. One of them was that if the returns were too good to be true, investors ought to have spotted that. However, I have begun to wonder whether that argument is sustainable, because if the benefits were too good to be true, the regulator should have spotted it. This is a regulated market in which ordinary investors ought to have had confidence.

Robert Neill: My right hon. Friend is spot on about the gravity of the regulatory failure. It was not just the process—the nuts and bolts—that went wrong; there was a fundamental failure to see that something that had been put into the market should have been ringing alarm bells. That is a very important point. That is why the case that the Government should provide proper compensation is all the stronger. The superficially attractive argument that it was too good to be true so people acted at their own risk was put about quite early. It was also claimed that all those affected were lawyers—barristers and solicitors—consultants and the comfortable middle class. I have dozens of victims of Equitable Life in my constituency and most are modest people who had jobs that enabled them to put a little bit aside, which they did in good faith and were let down by the system. A Government-regulated system let them down. That is why the obligation is very strong.

My hon. Friend the Member for Harrow East referred to EMAG’s work. I declare an interest as a member of the all-party parliamentary group on the matter. I particularly pay tribute to my constituents, David Truran and Richard Collins among others, who galvanised our local group of Equitable Life victims. They work hard to keep people in their area, many of whom are elderly and quite frail, in the loop about what is happening. That is a valuable local service. As has been said, the information about the compensation scheme and the way it worked was less than user friendly, to put it mildly. There was a lack of transparency and it was sometimes difficult for people in difficult circumstances, in the latter years of their lives, to navigate the information. EMAG’s work, nationally and locally, to help them is important.

The moral case is overwhelming and I think that the Minister, given his background and experience, knows that. The coalition Government were right to move when the previous Government had sadly done nothing, and it is a fair point that something is better than nothing. However, that is not really a sound basis for policy, morally or in terms of good governance. Something was given, and circumstances now permit the Government to give more.

Kate Green: Does the hon. Gentleman agree that policyholders do not regard what they are entitled to as compensation? They simply want back the money that they saved—their own money, which they put in to their policy, morally or in terms of good governance. Something was given, and circumstances now permit the Government to give more.

Robert Neill: That is an entirely fair and proper point. We use “compensation” only in a technical sense rather than to reflect the morality of what has happened. My hon. Friend the Member for Harrow East was right to describe the scheme as effectively a Ponzi scheme. In other jurisdictions, it would undoubtedly have been regarded as a fraud on the investors. They put in their money, lost out and the regulator that was supposed to protect them failed abysmally.

When the coalition Government introduced the compensation scheme, finances were difficult. Things have improved and it is not unreasonable to expect those people to be recompensed by more now. The distinction between pre-1992 and post-1992 annuitants was at best arbitrary. Although the case is made in a
legalistic, dry, desiccated-calculating-machine way, it does not hold water for anyone who examines it. I hope for a measure of human decency and a broad view of the impact on public confidence. The Government let themselves down somewhat with that arrangement, although it was better than nothing. Now we can do better and I urge the Government to do that.

As well as the moral case, there is a case to be made for the importance for this country of good governance in our financial services sector. I am a passionate advocate of Britain’s financial services; 36% of my constituents work in the financial and professional services sector. It is a massive earner for this country and a jewel in our economic crown. However, it succeeds because of its reputation for integrity, which is based on the strength of its regulatory structures. When there is a failure, which is not followed by proper redress for those who lose out, confidence in our financial sector is dented and damaged.

As we emerge from the European Union—hon. Members know I regret that, but that is where we are—the financial services sector’s international reputation will be all the more important. It is in our national self-interest to ensure that we are seen to be 100% behind those who invest prudently and sensibly in our financial institutions. Britain is a world leader in the insurance sector, but this failure has the potential to damage us and it will always be held against us unless we do something to get it right. Given the national benefit that the sector brings, doing justice to the Equitable Life losers would be a drop in the ocean financially. Perhaps even for that reason, as well as for our long-term national economic self-interest, if not out of moral decency, the Government will think again.

1.45 pm

Joanna Cherry (Edinburgh South West) (SNP): I pay tribute to those who secured the debate, particularly the hon. Member for Harrow East (Bob Blackman), who has worked tirelessly on behalf of the victims of the Equitable Life failure.

Equitable Life policyholders have been failed by three bodies. They were failed, first, by the life insurance scheme in which they invested; secondly, by the regulator; and thirdly, by the Government, who have not done enough, although I acknowledge that this Government and the previous Government moved to do something. The point of the debate is that they have a duty to do more for moral reasons, as other hon. Members have said. They should also do more, again as others, particularly the hon. Member for Bromley and Chislehurst (Robert Neill), have said, in order to underwrite confidence in the financial sector throughout the United Kingdom.

In Edinburgh South West, the financial sector is extremely important. Many of my constituents work in it, and Edinburgh has the second largest financial sector in the UK outside London. However, quite a number of my constituents are victims of the collapse of Equitable Life and I want to say a little about the personal experiences of two or three.

Others have already dealt more eloquently than I can with the nub of the issue. Basically, it is the shortfall: the difference between the amount in the scheme that the previous Chancellor, the right hon. Member for Tatton (Mr Osborne), created—£1.5 billion—and the total loss, which he admitted was £4.1 billion. There was therefore a difference of £2.6 billion. In the great scheme of things, that is not a huge amount of money, especially when we consider it against the principles that should govern such a situation.

The Government initially attempted to exclude all those who took out schemes before 1992. That would have excluded some of the oldest, most vulnerable, and most incapable of making their voice heard. The Government’s sticking plaster on compensation for the pre-1992 scheme holders—an extra £50 million—does not cover the full amounts lost and continues the unfairness to those least likely to be able to continue the fight against the injustice. The Government’s choice—it is a choice; every Government have to choose their priorities—not to compensate fully those who are unlikely to live long enough to provide the sustained pressure necessary to reverse the decision is most unfortunate.

This is not the first time that the Government have failed on compensation or regulation. Like other hon. Members, I have been present in the Chamber for the debate on the losses of investors in the Connaught Income Fund. I have constituents who suffered as a result of that. Of course, there is also the ongoing issue of the Women Against State Pension Inequality Campaign. Those women invested in their future according to the rules that they understood to apply at the time. During the debate, I have received messages from WASPI women, reminding me to mention them and emphasising that they have suffered a similar injustice to those affected by the collapse of Equitable Life.

I want to say something about the effect on three of my constituents. I will not name them for reasons of personal privacy. I will call them Mr A, Mr B and Mr C. Mr A started to run his own business in his 40s and at that time, he took out three personal pensions with Equitable Life, two for him and one for his wife, who was a partner in the business. When Equitable Life was unable to deliver what it had promised, Mr A and his wife lost their guaranteed annuity rates as the company tried to avoid liquidation. That meant that they were getting only 50% of the rate that the company had guaranteed them. When the coalition Government announced their planned compensation scheme, Mr A expected to be reimbursed to a degree that would at least allow him to lead the sort of life in his old age that he had hoped for when he took the schemes out in the 1980s. However, when he was compensated, he realised he had received only about 4% of the money owed to him. His appeal was successful and was upheld by the independent panel, but the recalculation has never been carried out, despite the strenuous efforts of my predecessor, the previous Member of Parliament for Edinburgh South West.

Mr A still does not have the 50% compensation that he expected to receive, which means that he and his wife have very much had to lower their expectations of old age, and have had to use the equity release scheme to release funds on their home to help them to manage. They would never have expected to have to do that, and indeed had planned against doing so.

Sir Desmond Swayne: The second argument I have used to resist full compensation is that we would be requiring taxpayers, many of whom would never have been able to afford such investments, to compensate the
annuitants—I accept that the annuitants were also taxpayers. However, the evidence about the modesty of so many annuitants has affected the argument. Equally, I wonder whether it is sustainable to subject justice to a means test.

Joanna Cherry: The right hon. Gentleman has obviously thought this through carefully. The conclusions he has come to with his first concern, and the conclusions he is moving towards with his second concern, are very wise. As another hon. Member pointed out, the purpose of having a regulator is to spot when what is promised is not realistic. In a democracy such as ours, with checks and balances and regulators, ordinary investors are entitled to assume that the regulator would say, “This is nonsense and dangerous”, even when a well respected and reputable company had made those promises—these were not fly-by-night investments as far as my constituents were concerned, but investments in a very old and well respected company.

Mr B is quite elderly—he is in his 80s now—and his memory is fading a bit. He was a shopkeeper, which is a respected company.

Mr B took out his Equitable Life policy about 40 years ago and has suffered hugely. He told me that, whenever he thinks about what has happened to him and the losses he has sustained, he finds it very hard to describe the pain it makes him feel. He ran a shop in an area of Edinburgh where a lot of his customers were professional people who had also invested in the scheme and told him it was a good thing. He proceeded with all due caution.

Mr B has told people in my office that he is not looking for very much. He wants his rights and his reasonable expectations to be respected. He wanted me to make it very clear today that the current under-compensation underlines his belief that the ideas of trust and bond, which he says used to be so important to investment, seem to have no place in the modern world of financial transactions. It is unfortunate that an elderly gentleman such as Mr B, who has worked so hard all his life in his own business, should have reached that conclusion. He is anxious that, at this stage, late on in his life, if he is unable to pay the debts that the Equitable scheme should have covered for him, he will lose his house—the home where he lives.

The losses of Mr C, another constituent, are substantial—he told me that he believes his losses to be upwards of £20 million. Many others lost money. I remember clearly the pain it makes him feel. He ran a shop in an area of Edinburgh where a lot of his customers were professional people who had also invested in the scheme and told him it was a good thing. He proceeded with all due caution.

The losses of Mr C, another constituent, are substantial—he told me that he believes his losses to be upwards of £20 million. Mr C was a shopkeeper too. He believes that, as he is getting very old, any year could be his last, and that time is quickly running out to find the justice he deserves.

I am making a heartfelt plea to the Minister on behalf of constituents such as Mr A, Mr B and Mr C to look at this again. I wrote to the Chancellor in advance of the last Budget. The Minister was generous in his reply and dealt with matters in detail. I realise that, to a certain extent, his hands are tied, but I make a plea to him to go to the Chancellor to revisit this issue, so that the compensation payments—I use the word “compensation” loosely, as we have discussed—can be considerably increased for all our constituents, but particularly for gentlemen and women in the position of Mr A, Mr B and Mr C. To echo what others have said, it is the right thing to do and the moral thing to do, but it is also in all our interests, because it would increase and underline confidence in the financial sector, which is so important to the United Kingdom.
My third point is about long-term security. People rightly want to ensure that their wealth over the course of their life, which is why they invest in pensions. They forgo spending now so that they will have money to spend later on, when they do not have an income from employment. That is a very important thing to do. We should support that. We do support that through the tax system and we also support it through regulation, which is why it is vital in cases such as this. As hon. Members have said, it would be one thing if this was a matter of an investment fund or a hedge fund for people with millions to invest, who know what they are getting into and the risks involved, but this is another situation entirely. As we have heard, this concerns people who were expecting pensions of, on average, about £300 a month. That is not at all the kind of money that allows someone to go on lots of cruises around the world, but it is money to top up the basic state pension, as every Government have wanted people to do for almost the past 100 years.

I believe that the country needs to do something similar. I have long advocated our country investing in a sovereign wealth fund, whereby we put aside money every year and do not just rely on a pay-as-you-go attitude—if you like, a Government-operated Ponzi scheme—for the national health service and state pensions. We need to consider operating our public finances in the same way that we expect pension funds to run their operations, whereby future liabilities are met with future assets. That would in turn allow us, when we get hiccups such as this, to compensate them in full.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I notice that Members are asking questions that they would like the Minister to answer, so the House will want to hear from the Minister at some length at the end of the debate. I want to make sure there is enough time for the Minister to speak, so I hope colleagues will now restrict their remarks to eight or nine minutes.

2.2 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I will aim not to disappoint, Madam Deputy Speaker.

I thank the Backbench Business Committee for securing this extremely important debate. I congratulate the hon. Member for Harrow East (Bob Blackman) and my hon. Friend the Member for Leeds North East (Fabian Picardo) on their extremely hard work over a number of years to try to secure adequate compensation for everyone who lost out as a result of this scandal. The issue of Equitable Life and the fate of those who lost out after investing has been debated by Members on both sides of the House for more than 15 years. As has been said, there is a great deal of cross-party work on this matter. Throughout that time, the Equitable Life Members Group and the all-party group have campaigned tirelessly to ensure that the issue is not simply kicked into the long grass. I am pleased to have another opportunity to press the case for those who lost out.

After a long battle, I appreciate the action that the Government have taken to date for those affected by this scandal. However, as we have heard from Members and our constituents, many policyholders remain short-changed, receiving a payment of less than one quarter of the compensation to which the ombudsman found they would have been entitled. The second ombudsman’s report was clear that the aim of the compensation scheme should have been to put people back into the position they would have been in if maladministration had not occurred. Despite that—we have heard this from many Members today—I million people have received only about 22% of the compensation they are due.

Robert Courts (Witney) (Con): The hon. Gentleman, like all speakers in the debate, is making a very powerful point. I, too, have received a great number of letters from constituents who have corresponded with me about the money that they or their relatives lost. He is right to say that they received only 22% of the compensation they expected. Is it not the case that we are dealing with pensioners and that we are losing about 1.5 a day? If the Government were to look again at whether, with a growing economy, more could be done for the people who have lost out, that would need to happen sooner rather than later.

Justin Madders: The hon. Gentleman is absolutely right. We are dealing with people who are getting on in years. As he points out, sadly about 15 policyholders a day are dying before the situation has been resolved. I am strongly of the belief—we see this for a whole range of issues—that the longer people wait for justice, the harder it is to appreciate that justice has been served.

The core of this issue is that many people feel that, even after all these years, justice has not been done. That message has come across loud and clear from my constituents and those of other hon. Members who have spoken. These people worked all their lives only to find that their pension pot has failed to materialise in the manner they were promised and they genuinely believed would occur.

In practice, this means that people who spent decades working for a comfortable retirement have had it denied them. It means that they are downsizing or even re-mortgaging their homes in their old age just to make ends meet. That is clearly not what we want for people who have contributed throughout their lives.

Tom Tugendhat (Tonbridge and Malling) (Con): The hon. Gentleman is speaking extremely powerfully. He is absolutely right to focus on those who will not have the opportunity to recover the money they have lost unless the Government change their mind. Does he agree that a real message can be sent to young people and those of us who, like myself, are less young? We must show that saving and responsible action during a working life is rewarded. There is a danger that if we continue to get this wrong, the lesson we are providing is that people should not bother to save, because it is not worth it.

Justin Madders: I thank the hon. Gentleman for that point. I am sure that he has many years to go before he reaches retirement age, but that is something that is absolutely central to the debate, so I will expand on it a little more. We are entering an era in which retirement ages will increase and there will be more and more onus on people to take responsibility for their own retirement. If we have a system that people lack confidence in, it simply will not work. That is why compensation in these situations should be delivered in full.
One of my constituents told me:

"what I personally find sickening is that Her Majesty's Government, no matter which party is in power, has utterly refused to act on the Ombudsman's findings, which point to its own shortcomings."

That point, which has been made by many Members, really does sum up where we are. I hope that the Minister will update us on what the Government are doing and focus on what good news those individuals who feel that the system has short-changed them can expect. That is important not just for them, but for the trust we should have in the system to secure our own futures. There is a need to restore confidence and build trust not just for the individuals affected by the scandal, but for everyone. As the hon. and learned Member for Edinburgh South West (Joanna Cherry) said, there are uncomfortable parallels with the WASPI campaign. People's confidence has been shattered by what they consider to be broken promises by the Government and the institutions in which we place our trust.

I agree that we all need to encourage people to plan for their retirement and to contribute to their pensions, but what kind of message does it send if the Government fail to properly regulate a provider and then fail to compensate people fully for their losses? It is not just trust in the finance sector that is at stake here; it is trust in politics itself. As has been said in previous debates as well as today, the 2010 Conservative manifesto included this comment, which links these issues in a neat way:

"We must not let the mis-selling of financial products put people off saving. We will implement the Ombudsman's recommendation to make fair and transparent payments to Equitable Life policyholders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure."

I think that all Members agree that that is a worthy aim, but the question of whether the pledge has been met in full is a matter of some debate.

I am conscious of the time, because we do want to hear from the Minister. What has already been said today has really summed up the situation, but let me end by making what I think is a key point. A failure to correct the wrongs of the past will lead to a failure to secure confidence in the future. I do not believe it is an exaggeration to say that the erosion of confidence that this episode has engendered could, in fact, be of greater impact in the long run than the cost of full compensation. I hope that, even at this late stage, the Government will do the right thing, not only for the policyholders of Equitable Life, but to restore confidence in the entire system of savings and pensions.

The hon. Member for Harrow East spoke of a debt of honour, and I think that that is an excellent way of referring to our obligations. We need to act honourably, and to correct this injustice in full. Given the age of many of the policyholders involved, it is clear that the adage “Justice delayed is justice denied” was never more true than it is in this case.

2.10 pm

Kirsten Oswald (East Renfrewshire) (SNP): I am pleased to have the opportunity to speak today and to keep up the pressure on behalf of constituents who have been hard hit and who deserve better. I thank the hon. Member for Harrow East (Bob Blackman) for initiating the debate and for his continued hard work on behalf of all those affected.

Like, I am sure, other Members, I remember the reassuring adverts that must have attracted many people at the time. They were warm, homespun and affirming, telling us that “It's an Equitable Life,” which it clearly was not. If there were any equity or justice in life, we would not be here today on behalf of our constituents whose lives have been changed in such a damaging way. Although I understand the steps that have been taken so far, their confidence in both government and financial regulation has been shattered.

I think of constituents of mine, such as James Moore of Newton Mearns or Howard Lyle, who lives in Eaglesham. Howard is now 81, but he was a self-employed business man. He worked hard for his living and did all the right things to provide financial security. In fact, he ended up working until he was 72 years old. He felt that he had done everything possible to ensure that he had good financial plans in place and would not be dependent on the state in his retirement. But, of course, all his well-laid and well-paid-for plans are in tatters.

Who could possibly argue with that? I have named only two constituents, but, like other Members, I know of many others who are similarly affected and have been similarly failed by what is clearly a toothless regulatory system, which has utterly let them down.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): My hon. Friend is making some great points. Given the hardships that some of our constituents have faced, given the injustice and, indeed, the age that some of them are reaching, will she join me in expressing admiration for their tenacity and their determination to keep the issue on the political agenda and to continue to fight this injustice?

Kirsten Oswald: My hon. Friend makes an excellent point. We should commend those people for all their continued work in keeping the issue at the forefront of our minds.

A cynical person might wonder whether—as with the collapse of the Connaught Income Fund, which was mentioned by my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry)—there is a strategy of dragging action out for an extraordinarily long time to ensure that fewer of those affected are still with us. It is simply not good enough for this sorry saga to continue for even longer. The UK Government must now finally deal fully with the outstanding injustices experienced by these unfortunate policyholders.

We really do need to grasp the nettle, and acknowledge the wrong that has been done and the impact that it has had on people’s lives. It is essential for action to be taken on behalf of the people who have lost out, but we also need to ensure that they can maintain confidence in our pension provision and in financial and regulatory bodies.

James Heappey (Wells) (Con): The hon. Lady is making some powerful points on behalf of her constituents. Many of my constituents have also been in touch to say that they see this as such an unfairness because they did the right thing. They worked all their lives, and they paid into a scheme that they thought was the right one. That sense of unfairness is compounded by the way in which so many other schemes that have failed have been
dealt with. Banks have been bailed out by the Government, and policyholders have been refunded. Does the hon. Lady agree that the grievance of these policyholders is perhaps all the more because so many other organisations have already been bailed out?

**Kirsten Oswald:** The point is well made. I think that Equitable Life policyholders, like Connaught Income Fund investors, feel particularly hard done by, and that is perfectly understandable. We need to deal with the compensation, and that can only happen when we have fully quantified the loss by negotiating the sums involved. At present, we are simply not there. After all this time, the Government need to acknowledge and deal with the injustice that people understandably feel. They have worked hard, and they have saved hard. They have done all the things that Governments emphasise are financially responsible and the way to guarantee security in retirement. Imagine how they must have felt when not only did their hard-earned money vanish, but the Government failed to protect them and then, to compound the problems further, failed to offer fair compensation.

Of course I recognise that there has been some compensation, but those affected understandably feel that that is not good enough and that it is not right for them to lose out because the Government claim that there are financial constraints. Why should they pay the price for failures of Treasury regulation in the 1990s? The Government must realise how much damage scandals such as this cause to public confidence in saving and in regulation. Surely, as the hon. Member for Harrow East said, righting wrongs like those suffered by Equitable Life and, indeed, Connaught investors is part of the way to restore that confidence.

There is real confusion, much of it arising from inaccurate communication from the Department for Work and Pensions, about the national insurance contributions that are needed for the new state pension. As we have heard from a number of Members today, WASPI women are marching on Parliament because the UK Government have whipped the pension rug from under their feet. Here, the saga of the Equitable Life policyholders drags on and on, and their pension provision has also vanished into the ether. If the Government are at all serious about pensions and about people saving for their future, they must listen and they must act now, finally, to deal with the Equitable Life scandal once and for all.

2.16 pm

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Member for Harrow East (Bob Blackman) on setting the scene. I also thank him personally, because for the time that I have been in the House—since 2010—he has always championed the Equitable Life policyholders. Today, some seven years later—for me, if not for him—we find we are still fighting for something for which we were fighting back then. The hon. Member for Leeds North East (Fabian Hamilton) is no longer present, but he should be commended, well, because he has clearly fought equally hard to bring about justice for the policyholders. Like both those Members, we all support the continued attempts to ensure that our constituents are not left financially ruined after doing their best to save for a rainy day.

There is not a big representation in the Chamber today, but that does not detract from the importance of the debate or lessen the impact of what we are about to say or have said so far. All those who have spoken have made valuable contributions, all of them saying the same thing and all of them saying there is no pressure on the Minister, is there?—to deliver the answers that we want. With respect, and the Minister knows that I mean this in the best possible way, we must convey to him what our constituents are telling us. We need the Government to know exactly where we stand.

Before I came to the House, when I was a Member of the Northern Ireland Assembly, we debated this matter there, and we also had debates and correspondence about it when we were councillors, and we were probably following these issues in other roles even longer ago, many years before I came here.

People always use that phrase about saving for a rainy day. Well, the rain is falling now, and it is the Government’s responsibility to hold out the umbrella. The newspaper over the head is starting to wear out: it is useful at the start, but it does not last. It is time for the Minister to step up to the mark and do the right thing by these savers. I have received dozens of e-mails and letters from my constituents, and I have never come across an Equitable Life policyholder who was in a high income bracket. The hon. Member for Leeds North East spoke of people in a low income bracket, and those are the people we are talking about. The impact on them is greater, and, unfortunately, they do not have time on their side either.

My constituents and those of my Northern Ireland colleagues have spoken to us about this issue, and I believe that this is an opportunity for me to make my constituents’ case and, like other Members—including some who have now left the Chamber—to give examples. I am very aware of the fact that the Government have paid out a substantial sum of money—perhaps, almost £1 billion—which is commendable; we should give credit where it is due. However, that is an indication of the fact that the Government have a further responsibility that needs to be fulfilled. I understand as well as anyone else in this Chamber that we currently have an £89 billion deficit, and I congratulate the Government on their economic policies. Unemployment in my area has fallen—that is a devolved responsibility—but the fall is in part a result of the greater economic policy carried out centrally by the Westminster Government. We must seek to lower the deficit, but we must also honour our obligations, and that is what we are asking the Minister to do today: to honour this obligation.

The hon. Member for Leeds North East mentioned in an intervention that some of the policyholders might never see this issue being brought to a conclusion and get the benefits, and they will therefore live on low incomes until the day they die and pass on from this world. If Governments have a mind to settle and help out the savers, could that be retrospectively passed on to their families? Will the Minister address that in his summing up?

I was brought up in a household where saving was drilled into us from an early age. That was not just because of our Ulster-Scots background, which meant that every pound was a prisoner; we were encouraged at a very early age to have savings, and we have done that throughout our lives. It was good to learn that lesson, because it showed us the value of money, and there was not much of it.
That points to what we need to do. “Put a bit aside for the future” was a phrase that was repeated often, and I have instilled that principle in my boys—successfully, I believe. But times have changed as well; it is difficult for my boys to buy a house and live their lives, never mind save on their wages. For that reason, the Government have put schemes in place to encourage saving, yet the question must be asked: why bother when we have an example of a generation—the one just before us and alongside us—who scrimped and saved and are still having to do so, through no fault of their own? We must incentivise a generation to know that savings are safe, and we should demonstrate that by doing the right thing by the Equitable Life savers.

A good point was made to me, and I shall repeat it now as it is important for it to go on the Hansard record:

“The Government ensured that no savers lost out because of the banking crisis. £133 billion was found to support the banks. According to the NAO, £76 billion is still to be recouped. At recent share prices, the taxpayer is likely to end up losing £15 billion”, and it was suggested that there could be a loss of up to £22 billion on RBS alone, with annual losses in billions continuing year after year. EMAG does not believe that Equitable Life savers—who did the right thing in saving for their retirement—should have to pay for the recklessness of the banks.”

I am sure that the Minister is aware of that, but if he is not, he needs to be.

The banks got special treatment. I know the importance of giving that to the banks, but it is equally important for Equitable Life policyholders, although we must also be ever-mindful that the Government have made a substantial contribution in that regard. However, as the hon. Member for Harrow East (Bob Blackman), who set the scene today, and others have said, we need to do that little bit extra.

The facts are that £2.6 billion of relative losses should be paid to the 895,000 Equitable Life victims who are still 78% short of what they are due—a substantial sum for them—and pre-1992 with-profit annuitants should be treated the same as post-1992 WP annuitants.

Equitable Life policyholders are justified in their grievance and in pursuing full compensation. We in this House, as their representatives at Westminster, have been tasked with putting their case. That is the reason for today’s debate, and it is why I am standing with my boys to buy a house and live their lives, never mind save on their wages. For that reason, the Government have put schemes in place to encourage saving, yet the question must be asked: why bother when we have an example of a generation—the one just before us and alongside us—who scrimped and saved and are still having to do so, through no fault of their own? We must incentivise a generation to know that savings are safe, and we should demonstrate that by doing the right thing by the Equitable Life savers.

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Equitable Life policyholders are justified in their grievance and in pursuing full compensation. We in this House, as their representatives at Westminster, have been tasked with putting their case. That is the reason for today’s debate, and it is why I am standing with those Equitable Life victims, alongside my colleagues in this Chamber from across the whole of the United Kingdom of Great Britain and Northern Ireland. We are all together, asking for justice for the Equitable Life victims. I ask the Government to pledge simply to do the right thing by these pensioners.

2.24 pm

Mike Weir (Angus) (SNP): At times, the debate has seemed like a meeting of old lags, since some of us have been discussing this issue for many years.

I would like to be able to say, like other Members, that many of my constituents are still coming to see me about Equitable Life. I cannot, however, although many constituents used to do so; unfortunately, time has done its work and there are now few left. They are people like my constituent Gertrud, an elderly lady who thought she had made the right choice and would have a decent standard of life in retirement, but who is now living off 25% of what she thought she would get, which is very difficult. The situation is the same throughout the country.

My hon. Friend the Member for Edinburgh North and Leith (Deidre Brock) unfortunately cannot be here today, but she told me of her constituent Ishbel, who is in the same situation. These are elderly people who had made the right decision and found that they had lost out.

The motion before us today notes that the Government have made no further funding available in the spring Budget. Several Members have mentioned that this is similar to the situation of the WASPI women. These are totally different issues—one is about retirement age while the other is about the amount received from private pensions—but, as others have mentioned, they bring us to the same thing: ever more people believe that it is not worth saving for pensions. That will cause huge difficulties in the future. Young people today say, “What’s the point of doing that? Look at what’s happened to others, like my granny. That’s what is likely to happen to me.” Reports such as one today saying that the pension age is likely to go up yet again, and young people may now be working into their 70s before getting a pension, continue to undermine confidence in pension provision. We will face a huge problem in the future if we continue in this way.

I was an MP when we tried to persuade the last Labour Government to do something about this issue, and they turned their face against that and refused to do anything. I acknowledge that the coalition Government and the current Government have grasped the thistle to some extent, and have made some money available. They must be given credit for that, but of course it took a report from the ombudsman to get the ball rolling for compensation, and she concluded that the state of the public finances was “a relevant consideration”, which I suppose is why we are still here today.

Part of the difficulty is that there is a huge difference between the amount sought by the action group and the sum the Government say was actually lost. There is no real agreement as to what the total losses are. In a sense, the Government came down in the middle with a figure of £1.5 billion, and in coming to that figure cited the state of the public finances. It is disappointing that the Minister stated in his letter to the hon. Members for Harrow East (Bob Blackman) and for Leeds North East (Fabian Hamilton) of 30 January, which was circulated to us:

“The announcement was clear that the funding available to the Payment Scheme was not a fixed amount of £1.5 billion but rather that up to £1.5 billion would be made available.”

Should we take that as confirmation that the Government have no intention of even putting the remainder of that amount—about £140 million, I understand—towards the plight of those who have lost out? To be frank with the Minister, given the Government’s previous record, that seems rather small minded and mean, and it undermines the Government’s commitment, which they have shown previously, to tackle this matter.

EMAG argues that the policyholders’ pension savings, carefully accumulated over decades, should be safeguarded in exactly the same way as funds deposited in banks and building societies. They have a point, although they should not stretch it too far, as there is a limit on those
funds and it is not an exact analogy. But it is also worth recording that, in her response to the Government scheme, the ombudsman stated:

"I am unable to conclude that the Government’s proposals complete pension. The state pension for the establishment of a compensation scheme which I made in my report.”

Such comments will continue until the Government do something to address the continuing sense of injustice.

Others have said that Equitable Life was touted as a long-established, steady company, and that small business people and the self-employed were encouraged to invest their pension savings in it. When I was a practising solicitor—many years ago now—Equitable Life was considered one of the best investments, which is why so many people were encouraged to go into it. Increasingly, however, we are being encouraged to invest in pension provision to augment our state pensions, and people will find it difficult to have confidence in any pension company while this issue remains unresolved. It is also clear that fewer than half of new pensioners will receive the whole of the new single tier pension when it is introduced, so this issue is becoming more and more important.

The fact that pensioners now have much greater freedom to access their pension savings will also greatly alter the pension landscape and the attitude of savers towards pensions, but it could also make it more difficult for companies’ investment strategies. It is doubly imperative in this new environment that there is confidence in the stability and worth of pension investment. Pension investment is not the same as putting money in a bank or building society; as we know, it depends on fluctuations in the market and the type of investment made.

Robert Courts: The hon. Gentleman is making many powerful points. He has mentioned confidence. Does he agree with the point made by the hon. Member for Strangford (Jim Shannon) that, having encouraged members of the public to do the right thing and invest in what was seen as a secure and safe scheme, there is a danger that a precedent could now be set and that those people could now decide that investing in a pension would not give them safety or security in retirement? Does he also agree that the unfairness that that creates is unhelpful to the pensions industry as a whole?

Mike Weir: Indeed it is. That is the point that I was making.

Some of us are now getting to the age at which we are beginning to think seriously about what our pensions will bring us—it is going to hit us pretty shortly—but I have children who are in their 20s, and this is a very long-term investment for people in their 20s and 30s. Young people today who look at the WASPI women or at Equitable Life pensioners will not have the same confidence that people of my generation might have had that they are putting aside savings to augment their state pension. The state pension is changing, and we are looking at different ways in which people will invest for the future, such as auto-enrolment. All these things require confidence, but that confidence has been undermined by continuing scandals such as Equitable Life.

The Government have to look at the bigger picture, rather than simply looking at Equitable Life in isolation. They have to look at how we can get over this hump and ensure that all young people make provision for the future. If we do not do that, a much bigger problem will be coming over the horizon when those young people get older, having made no provision because they lacked confidence in the system. What are we going to do then?

The fall-backs that exist today will no longer be there for them. I urge the Minister, even at this late stage, to go back to the Chancellor and say, “Look at the bigger picture. Look at how we are dealing with pensions. How can we get confidence back?” If we do not do this, the picture will get even worse later.

Jim Shannon: The hon. Gentleman reminds me of a point I should have made earlier. It is recognised that parents often need to make financial provision for their children, and that we are using some of the money that we have to make that happen, yet some Equitable Life policyholders have told me that they are unable to do that. Has the hon. Gentleman come across similar cases?

Mike Weir: I have a daughter who is now into her third university degree, so I know exactly what the hon. Gentleman is talking about. Yes, parents are having to use their own money to help out their children, and that can cut down the amount that will be available to them in the future. That is a decision that they have to make, however; it is a slightly different issue. The bigger issue is the future. Many young people today are not earning enough money, and many have been landed with large debts following their university degrees. That, and the lack of confidence in the system, will have an impact on their ability to save for a pension. I think I have gone on long enough now, so I will end on that point.

2.35 pm

Peter Dowd (Bootle) (Lab): First, I should like to associate myself with all the comments that Members have made about the dreadful events that occurred yesterday. I send my condolences to the families of those who died and I wish a speedy recovery to those who were injured.

This has been an incredibly thoughtful and considered debate on both sides of the House. I should like to thank the hon. Member for Harrow East (Bob Blackman) for bringing this subject before us today. He has devoted a huge amount of time and commitment to this issue over the years. He and my hon. Friend the Member for Leeds North East (Fabian Hamilton) have pursued it doggedly, and I would like to thank them for that. The hon. Member for Harrow East set out the situation for bringing this subject before us today. He has devoted a huge amount of time and commitment to this issue over the years. He and my hon. Friend the Member for Leeds North East (Fabian Hamilton) have pursued it doggedly, and I would like to thank them for that. The hon. Member for Harrow East set out the situation clearly today. Words such as “scandal” and “confidence” have been thrown in during interventions, and they sum up the issue for many people. I thank the hon. Gentleman for setting out the landscape for us today.

I should also like to thank my hon. Friend the Member for Leeds North East, who said that there was a moral duty to compensate the hundreds of thousands of people who have been affected over the years. He said that this was a moral issue and a question of trust in the state, and I think that that resonates with many of us. The hon. Member for Bromley and Chislehurst (Robert Neill) reminded us that people had been encouraged to save, and that was the right thing to do. He said that they should not be dis-benefited as a result of that now. He also talked about the catastrophic regulatory and company errors that were made—I shall say more about that later—and about the alarm bells that were
ringed. He said that the Government’s providing the necessary resource would be a gesture of confidence for the public.

The hon. and learned Member for Edinburgh South West (Joanna Cherry) also raised the issue of the failures in the system, and said that the unfairness was continuing. She spoke movingly about her constituents’ experiences, and about the trust that people must have in the system. The hon. Member for Stafford (Jeremy Lefroy) talked about equity, and I think that he probably meant equity not only with only a big E but a small one. He said that the regulations should not only be carried out but be seen to be carried out. He also talked about confidence and trust in the system, and the question of long-term security through confidence in the regulatory process.

Sir Desmond Swayne: It is alleged that when Gordon Brown was put under pressure by members of his own party in the early 2000s to compensate the policyholders, he retorted, “These aren’t our people.” Whether that is true or not, would the hon. Gentleman accept that they are very much his people, as indeed they are ours as well?

Peter Dowd: I have no doubt whatever that these people are all our people.

My hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) talked about cross-party support and about the appropriate action that the Government need to take. He said that policyholders were still being short-changed. He, too, talked about the restoration of trust and confidence in the system, and referred to the WASPI women. He said that the erosion of confidence could cost more in the long run, and that justice delayed was justice denied. The hon. Member for East Renfrewshire (Kirsten Oswald) talked about her now elderly constituents who are in distress, and about the failed and toothless regulatory system. That saga cannot continue. The hon. Member for Strangford (Jim Shannon) talked about his constituency and looked to the Minister for solutions, saying that people are justified in their pursuance of full compensation.

Mr Stewart Jackson (Peterborough) (Con): The hon. Gentleman is making a characteristically erudite speech. Does he agree with me, and possibly the hon. Member for Angus (Mike Weir), that it is important to redouble our efforts at the opposite end of the spectrum? It is imperative that young people receive financial education so that they understand the long-term benefits of securing a long-term and sustainable pension income.

Peter Dowd: That is an excellent suggestion—I would expect nothing less from the hon. Gentleman—but if people do take out a pension, they must have confidence in the system.

The Minister has heard the clear and unambiguous views of many Members from across the Chamber. The Opposition will not make any cheap party political points on this matter. We give credit where credit is due to the coalition Government for setting aside £1.5 billion in a compensation fund for those who invested in the Equitable Life Assurance Society, most of which was invested in pensions. The compensation scheme was set to close in 2014, but the previous Chancellor extended it to December 2015, with the fund set to close mid-2016. EMAG—the group that represents the policyholders—has called since February 2016 for £2.7 billion of additional compensation, arguing that that is the shortfall, and many Members have made the same point today.

The Conservatives committed in their 2010 manifesto to make fair and transparent payments to Equitable Life policyholders, and the debate continues about what that amount should be, but £4 billion is the generally accepted figure. In the previous debate on this subject, the then Minister, the hon. Member for East Hampshire (Damian Hinds), stated:

“The improvements our economy has made since 2010 are greatly to be welcomed and show that the Government’s long-term economic plan is working, but the plan is not complete and we have some way to go to fully restore the public finances.”—[Official Report, 11 February 2016, Vol. 605, c. 1186.]

The current Minister will also note that. The Chadwick report of July 2010 concluded that relative loss should be defined as those who have suffered financial loss, pointing out that the Ombudsman recognised that losses in policy values were only partly due to maladministration and that the backdrop to cuts in policy values was the sharp fall in world stock markets that all life insurance companies were forced to respond to. Similarly, the report also argued that compensation should be assessed on the cost of maladministration as opposed to the size of investor losses. However, we are politicians and we can make different decisions and choices, and the Minister has been asked to consider carefully whether we want to make different decisions or choices.

I want to make an important point that has been pushed time and again about regulatory failure. There is a broad consensus among the parties that compensation should have been paid out by the Government for maladministration, which has happened to a degree, but we are unsure whether regulatory failure continues to exist. We have to ensure that the regulatory frameworks that operate in this country are continually stress-tested and reviewed again and again. The regulatory organisations need the appropriate resources to ensure that proper regulation occurs. We have to consider that 100 or 150 people are looking at 200 insurance companies. I am not suggesting that there should be more staff; I am saying that we should take the resourcing of regulatory authorities into account.

This scandal does not relate to one particular Government. As Members have said, it was ignored by regulators throughout the ‘80s. With the knowledge that the regulatory system did not work, however, it is all the more important that we continue to check it. The second ombudsman report states:

“The central story of this report is that this robust system of [financial] regulation was not, in respect of the Society, implemented appropriately—that is, consistently, fairly, and with proper regard to the interests of those directly affected—by the prudential regulators and those providing assistance and advice to those regulators.”

That is absolutely salutary. We have had scandals in the past, such as with PIPs and the 1980s endowment scandal, and we must always keep a lookout for them. There is the growing concern about the sale of leaseholds and some new properties, which we should not allow to become a scandal. There is even the problem of airlines refusing to pay people compensation for delays, so it is important to keep looking at the regulatory system.
I want to conclude by pushing the question about confidence in the regulatory system. What efforts are the Government making to trace policyholders who have still not been found after the scheme has closed? Can we have an update on the number of people who have received compensation from the £1.5 billion? How many policyholders does the Minister estimate are still affected? I know that this is a moveable feast. What are the broader steps that the Treasury has to take to restore faith in the financial regulatory system? In summary, it may be that the Government are not legally required to pay the compensation, but many Members have pushed the moral imperative, and the Government will have to consider that matter today and in the coming months and years.

2.46 pm

The Economic Secretary to the Treasury (Simon Kirby):
I start by associating myself with the earlier comments about yesterday’s terrible events. I congratulate my hon. Friend the Member for Harrow East (Bob Blackman) and the hon. Member for Leeds North East (Fabian Hamilton) on securing this important debate. It is fair to say that their tireless work on this issue and their involvement in the all-party parliamentary group for justice for equitable life policyholders are of great importance to many of our constituents up and down the country. Hon. Members from across the House have done a great deal for their constituents on this matter. It has been a thoughtful debate, and I have listened carefully to the individual cases that have been mentioned. I am also grateful for the opportunity to set out what the Government have done to address this long-standing issue.

This topic has a long and well-documented history, which I do not propose to go over in my limited time. Instead, I will focus on the action we have taken to make payments to the people affected, and these figures are well known. The ombudsman’s findings assess the loss from Government maladministration to be £4.1 billion, and it is worth noting that that is significantly more than the evaluation commissioned by the then Labour Government. That report, known as the Chadwick report, rejected some of the ombudsman’s findings and concluded that only £340 million should be paid to policyholders.

This Government, in contrast and despite the constraints facing the public purse, have agreed that £1.5 billion will be made available, tax free, for payments to eligible policyholders. We consulted carefully on how that £1.5 billion should be paid out and reached the conclusion that we must pay the with-profits, or trapped, annuitants £1.5 billion should be paid out and reached the conclusion that we must pay the with-profits, or trapped, annuitants £1.5 billion. That was new money over and above the original £1.5 billion.

The point about affordability was raised explicitly by the ombudsman in her report, in which she stated that it was appropriate to take into account the impact on the public purse when considering the funding of the payments. Indeed, the ombudsman has written to the all-party parliamentary group on Equitable Life about the level of funding and said that the Government’s decisions on affordability cannot be said to be incompatible with her report. I also understand it has been suggested that, as the economy improves, further funding should be made available to the payment scheme.

Robert Neill: I accept that the decision on funding is not incompatible with the ombudsman’s report, but that is not to say that the decision follows the spirit of the ombudsman’s report or that it is right.

Simon Kirby: I repeat that this is about striking the right balance between the position of the public finances and fairness to all taxpayers, and I will cover that point in more detail as I proceed.

I was talking about further funding being made available to the scheme, but with debt at its highest level since the second world war, tackling the deficit and getting debt falling are challenges that call for long-term discipline, which is why we have no plans to reopen the payment scheme or to review its level of funding.

Fabian Hamilton: I thank the Minister for giving way because I realise that time is short. I spoke earlier about Icesave and the £50,000 maximum compensation ceiling. Those who lost money with Icesave and other collapsed banks in 2008 received up to £50,000. Given that most of the investments in Equitable Life totalled around £45,000, will the Minister consider looking at those particular individuals who have suffered most?

Simon Kirby: I was going to cover the issue of Icelandic banks later, as might be expected, but there is a big difference between the two. Those ex gratia payments were different from the Equitable Life scheme in that the Government expected to recover, and indeed did recover, all the money paid to UK depositors as the banks were wound up. It is not fair to compare the two.

I will now address some of the specific issues that have been raised. My hon. Friend the Member for Harrow East said that the payments were not transparent. Transparency is one of the core principles of the scheme, and the methodology of calculation was published in full along with a simplified explanation for the layperson. I am also aware that Her Majesty’s Treasury has met EMAG to discuss the matter and found there to be no errors.

My hon. Friend sensibly asked why the Government cannot commit to paying Equitable Life policyholders in full when the economy has fully recovered and the debt starts shrinking, and it is right that the Government balance the needs of affected policyholders against those of taxpayers, and of public service users more generally. The Government have to tackle a debt of nearly £1.7 trillion, or almost £62,000 for every household in this country, which is a salient point. He also said that the cost of paying the pre-1992 annuitants would be less than £100 million. No assessment has been made of the pre-92 losses, but the Government recognised the hardship faced by the group so paid lump sums of up to £10,000, at a cost of around £50 million. That was new money over and above the original £1.5 billion.
Several hon. Members, including the hon. Member for Bootle (Peter Dowd), mentioned the failure of regulation and the need to stand behind any failure in a financial services group. It is fair to say that this Government, and the coalition Government before us, have fundamentally reformed financial regulation, including, importantly, through the expansion of the financial services compensation scheme.

The hon. Member for Leeds North East, who has moved places and is confusing me only very slightly, said it was unfair that we excluded pre-92 policyholders. I have every sympathy with the position such policyholders find themselves in during retirement, but the policies commenced before any maladministration could have affected investment decisions. Pre-92 policyholders have instead been affected by falling comparative annuity rates in the light of the issues at Equitable Life. I have already referred to the ex gratia payments of £5,000, or £10,000 for those in receipt of pension credit, that were made in December 2013.

The hon. and learned Member for Edinburgh South West (Joanna Cherry) said that the Government have not done enough—a point also made by others. I sympathise with the plight of her constituents. I am glad she recognises that the coalition Government did more to address the issue than any Government who preceded them. She asked about the Chancellor of the Exchequer: he was clear in his spring Budget that the scheme is closed and no more money is forthcoming.

My hon. Friend the Member for Stafford (Jeremy Lefroy) made some eloquent points about regulation. I agree that trust is vital, and I am proud of the reforms made to the regulatory system. Many people say we have too many regulations; I always think that financial services are there for everyone so it is important that we provide an appropriate level of protection for everyone, big or small.

The hon. Member for Ellesmere Port and Neston (Justin Madders) suggested that the Government had ignored the ombudsman’s recommendations. The ombudsman’s report was the foundation of the payment scheme. As I said, the ombudsman subsequently wrote to the all-party group. Whether or not we agree about the term “incompatible”, the ombudsman said that the Government’s decisions on affordability and eligibility cannot be said to be incompatible with her report. The hon. Gentleman also mentioned the 2010 manifesto. It is worth saying that payments were fair to both the taxpayer and policyholders, with the most vulnerable groups receiving 100% of their losses. The whole scheme is based on the ombudsman’s report.

Sir Desmond Swayne: I hate to interrupt the Minister’s flow, but I wish to take him back to my intervention on my hon. Friend the Member for Harrow East (Bob Blackman) about the regulator’s failure to identify problems. My hon. Friend said in response that the Treasury itself was aware of Equitable Life’s problems long before they emerged; does the Minister know whether that is true?

Simon Kirby: It is fair to say that there were a lot of issues and that a lot of things were done that we would do differently today. All that was taken into account in the vast number of reports and inquiries, and is now represented in a fair and equitable scheme for payments.

Connaught was mentioned by the hon. and learned Member for Edinburgh South West. As I understand it, I will be meeting her in the very near future to discuss that issue, and I am very pleased to do so. The matter is currently being investigated by the Financial Conduct Authority.

I thank the hon. Member for Strangford (Jim Shannon) for his understanding. He made a very thoughtful contribution in which he mentioned children. I say to him that we must be careful to strike the right balance and that we do not saddle our children and grandchildren with unfair levels of debt. It is about making sure that those people affected receive a fair amount.

The hon. Member for Angus (Mike Weir) set out cases in which constituents have a reduced annuity in their retirement. I have a great deal of sympathy with them, as I know the difficulties that a reduced income in retirement causes. The Government recognised that, which is why annuitants should receive 100% of their losses.

I will, if I may, finish with some figures, because I need to clear up the confusion. To date, the Government have paid out £1.12 billion. They will be paying out another £355 million, totalling £1.47 billion, leaving a balance, for those who can add up, of £25 million. We intend to provide a safety net to ensure that payments to the most vulnerable are maintained as they live longer—let us hope that they all live longer—and so I do not recognise the £140 million figure that was cited.

In conclusion, I appreciate that some policyholders who have carefully invested for their retirement are now not receiving the income they expected, but we have done more than any other Government to resolve the Government’s part in the Equitable Life issue. We have committed £1.5 billion. We have paid out the £1.12 billion, with more to come, and we have struck the right balance, which is fair to the British taxpayer and supportive to those most vulnerable policyholders.

3.1 pm

Bob Blackman: I thank my hon. Friend the Minister for his response to the debate. We have had a very good debate, with representations and interventions from Members of no fewer than five political parties represented in this House. Everyone has spoken with the same voice. This is a debt of honour that we owe to vulnerable people across this country. We will not allow this matter to rest until such time as those vulnerable people are properly compensated for their losses, which happened through no fault of theirs.

I thank the hon. Members who have taken part in this debate. It is good to hear some fresh voices in this debate, as well as those that we have been hearing for many years. May I say to my hon. Friend on the Front Bench: I was disappointed that we did not get a mention in the spring Budget, but there are many opportunities to come—I am talking about the autumn Budget and further such Budgets. It is not fair to say that the scheme is closed; the scheme is closed to new applicants. We know that it will continue paying out for as long as those receiving compensation live. It is absolutely open to the Government to top up this compensation scheme, so that everyone who suffered losses would receive their proper payment. If those pre-1992 trapped annuitants receive their proper compensation, they would put that
money immediately into the economy. That would help boost our hard-pressed retailers, which means a double benefit to the Treasury.

All I ask of my hon. Friend on the Front Bench is to go back and have a word with the Chancellor and let us see if we can truly provide justice to our Equitable Life policyholders.

Question put and agreed to.

Resolved,

That this House welcomes the Government’s acceptance in full of the Parliamentary Ombudsman’s findings in relation to its maladministration with regard to Equitable Life; notes that the Parliamentary Ombudsman recommended that policyholders should be put back in the position they would have been had maladministration not occurred; further notes that the overwhelming majority of victims have only received partial compensation compared to the confirmed losses directly attributed to regulatory failures; regrets that the Government made no further funding available in the Spring Budget 2017; and calls on the Government to make a commitment to provide full compensation to victims of the scandal as the economy continues to recover.

Social Mobility Commission: State of the Nation Report

3.4 pm

Lucy Powell (Manchester Central) (Lab/Co-op): I beg to move,

That this House notes the contents and recommendations of the annual State of the Nation report from the Social Mobility Commission; notes that despite welcome measures by successive governments to improve social mobility the Commission warns that social mobility is getting worse, the reasons for which are deep-seated and multi-faceted; and calls on the Government to lead a renewed approach in the early years, in education, skills and housing, to improve social mobility.

This motion stands in my name and those of the right hon. Members for Loughborough (Nicky Morgan) and for Sheffield, Hallam (Mr Clegg).

May I start by putting it on record that my thoughts are with the victims of the terror attack yesterday? I thank the emergency services for their dedication, bravery and service, and the House staff who looked after us so well yesterday. That we are meeting today shows that we can carry on with our democracy and debates in such times. It also shows that we often come together in this House, as we are doing today in the spirit of this important debate on social mobility.

This debate, with Members on both sides of the House joining together to champion social mobility, is welcome and timely. I have been delighted to work closely with the right hon. Members for Loughborough and for Sheffield, Hallam over recent weeks, and it is our hope and intention that we continue that work beyond today to truly build a cross-party consensus for a strategy to tackle social mobility. I also thank the Government’s Social Mobility Commission for all its important work. As it has consistently warned, by all measures social mobility is getting worse, not better. It recently said:

“Low levels of social mobility are impeding the progress” of many in our society, “not only the poorest”. That is the context for our debate.

We need a better understanding of what we mean by increasing social mobility in the modern economy. Too often, social mobility is thought of in terms of plucking the one or two lucky ones out of disadvantage and taking them to the top—the so-called “council house to the Cabinet table” journey. That understanding is really unhelpful when we are looking at the challenges and opportunities that our country faces, and the strategy required to deal with them. In today’s context, social mobility is about everyone being able to make economic and social progress, unconfined by the disadvantages they begin with. With Brexit, automation, digitalisation and huge changes to work, that process is going to get harder and ever more squeezed. No longer can this just be about those who go to university, as everyone needs to gain a rich, stretching education and the skills to succeed.

To put it another way, if we look ahead to the needs of the economy in, say, 2022, forecasts by the Social Mobility Commission show that there will be 9 million low-skilled people chasing just 4 million jobs, yet a shortfall of 3 million workers for the higher-skilled jobs. That is before the effects of Brexit. The biggest barrier to dealing with this issue is known as the long tail of underachievement. At the same time, companies such
as Google say that we are not producing enough of the right engineering graduates for their growth. Britain has the third highest proportion of graduates in non-graduate jobs in Europe, with only Greece and Estonia behind us. No wonder our productivity is so poor compared with that of other OECD countries. In fact, it takes a British worker five days to produce the same amount of work that a German worker can do in four days—that is the stark challenge we face. Any social mobility strategy must therefore also be inextricably linked to our industrial strategy.

These huge challenges require a new national mission built on consensus and evidence to turn them into real opportunities for the country, and that is what we hope to address with this debate and our work. But, let us be honest, although much progress has been made by successive Governments, the political cycle means that every party is guilty of looking for a quick fix or a new wheeze that might appeal to voters, rather than the more difficult job of putting in place a clear and determined strategy. Let us look at the evidence and stick with it, even if at times that means giving praise to our opponents, as we will be doing today.

We know from the Social Mobility Commission and others that when it comes to education, some areas are absolutely key. I will focus on a few of those now and I know that Members will pick up others in their speeches. First, I want to look at the facts on early years, which will not come as a surprise to those who know me well, because it is a personal passion of mine. By the age of five, children from disadvantaged backgrounds are already far behind their peers, with a developmental gap of as much as 15 months between those from advantaged and disadvantaged backgrounds. One study found that children in low-income households hear up to 30 million fewer words by the age of three than their better-off peers.

The levels achieved by the time a child is five are still the biggest predictors of outcomes at GCSE.

What happens in the first few years of life is massively critical, yet that still does not demand nearly enough Government and policy attention. We have made some progress under successive Governments. The Labour Government did so through the extension of maternity leave, Sure Start centres, the integration and expansion of health visitors—that was continued by the Conservative Government—and the introduction of quality early education for three and four-year-olds. The introduction of the two-year-olds offer was much championed by the right hon. Member for Sheffield, Hallam, and the right hon. Member for Loughborough developed the beginnings of a real life chances strategy. However, I worry that the recent focus has been on childcare and the demand of maternal employment rates alone, and less on social mobility reasons for investing in the early years.

A greater focus on what works and on joined-up working does not actually need to cost more money. For example, the quality and outcomes in Ofsted ratings do not match. After looking at this recently, I found that 91% of early years providers are rated good or outstanding, yet a third of children are not leaving those settings school-ready—that does not match up. There are other ways in which we could incentivise quality providers to work with—not in competition with—others in their locality. There could be more support for parents through regular contact, as well as things such as the ages and stages requirements. We have been doing some interesting work on this in Manchester. Remarkably, some of the most deprived communities in many parts of the country have some of the highest quality early years provision—this is often what we think of as the silver bullet in education—through maintained nursery schools and some of the nursery places attached to schools. Let us cherish those and not put them under threat. A proper focus on narrowing the gap before the age of five would have a real impact on social mobility.

Let us now consider slightly older children. By the age of 16, just one in three disadvantaged children gained five good GCSEs including English and maths, and that figure has remained stubborn over the past few years. We know what works in schools and we have seen it happen. It was epitomised by the London challenge, when leadership, collaboration, resources, the attraction and retention of outstanding teachers, and the development of Teach First all came together.

Siohain McDonagh (Mitcham and Morden) (Lab): Would my hon. Friend like to thank Lord Adonis for all the work that he did on the London Challenge? Throughout all my time during the Labour Government, I found him to be the most effective and passionate Minister when it came to improving schools. He has a truly brilliant record.

Lucy Powell: I very much thank Lord Adonis for all his work and, indeed, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), who was a Minister at the time of the London initiative.

The London challenge was one of those Government initiatives that achieved real change, including the biggest rise in attainment we have seen in an area. The opportunity areas developed by the right hon. Member for Loughborough during her time in office are good successors, but they need to be matched by resources and the ability to attract and retain the best teachers. The pupil premium has been a remarkable development that has allowed those who are behind to begin to catch up during their time in school. Let us follow these learnings and not get distracted by things that do not work.

By the age of 25, many of these children will be in low-skilled, low-paid jobs. Only one in 10 low-paid workers will ever escape low pay. That is a pretty terrible outcome for them and our country and, as I said, those jobs are disappearing, too. Our skills strategy for post-16 and in-work training needs strengthening. I welcome the Government’s moves in this area. Proposals such as T-levels, the apprenticeship levy and the skills plan linked to the industrial plan are all very much to be welcomed. Although I have some criticisms of the way in which initiatives such as university technical colleges are working, they are a good idea, but they do need more focus and work.

Let us not implement some of these good initiatives badly, however, and lose what we know works. For example, on T-levels, we need to make sure that we continue to have the blend of technical and academic that will be so important for the jobs of the future. If we look at all our OECD competitor countries, it is clear that it is critical that children continue to work on maths and English to a high level right to the age of 18. The post-16 reforms also need matching with other reforms,
such as pathways out of university. As I said earlier, the underperformance and under-skilled jobs of many of our graduates fundamentally need addressing. Access to the professions is key, and other Members will talk about that.

Those are just three of the key areas that can drive social mobility—the early years, what happens in schools, and post-16—but we also know what does not work in terms of social mobility, and I want to talk about that for a minute. One thing that does not work is grammar schools. Unfortunately, under the current Prime Minister, grammar schools and selection seem to take centre stage in her vision for dealing with social mobility. They are sucking up all the oxygen in the debate, yet the evidence is clear: they do nothing for social mobility; in fact, they make it worse.

Kate Green (Stretford and Urmston) (Lab): I compliment my hon. Friend and the right hon. Members for Loughborough (Nicky Morgan) and for Sheffield, Hallam (Mr Clegg) for securing the debate. In Trafford, as she knows, we already have a selective system, and although our schools perform very well overall in the national rankings—that is despite selection, not because of it—one group that does not benefit are children with special educational needs and disabilities. Only a tiny proportion get into grammar schools in Trafford, and it is believed that that is in part because those schools have no incentive to take them. Does my hon. Friend agree that any selective system is bound to lead to children being brushed aside when it comes to opportunities to get the best education?

Lucy Powell: I absolutely agree, and my hon. Friend has campaigned on this issue for many years. While Trafford has many good and outstanding schools, recent data show that the top 25% and the bottom 25% of pupils do worse than those in neighbouring Manchester, so there are questions about attainment gaps to address.

The list of organisations that are against more selection in schools is ever growing. The OECD says that countries with selective education perform less well on average than those with comprehensive systems. The previous and the current chief inspector of schools do not agree with selective education. The Government’s own Social Mobility Commission and other hon. Members, around the early years, schools, post-16 and other areas. That agenda would keep any Minister or Department extremely busy, but the Government have also embarked on other major overhauls, including the new national fair funding formula—that has caused much consternation on both sides of the House—the biggest reform of GCSEs in a generation, new SATs, the creation of hundreds of thousands of new school places to deal with the massive increase in demand, and a reduction in the amount of funding and number of teachers per pupil. The divisive pursuit of more selection in grammars will require huge political capital and a great deal of officials’ attention, and it will mean that all the other really important work, some of which the Government have already embarked on, will fail.

I do not think that we would be having this debate about grammars and selection if we had done more in recent years to create a cross-party consensus on what needs to be done to tackle the lack of social mobility in our country—but I have some outstanding schools that get amazing results in a comprehensive setting. I do not understand how selection will help them; it will simply make their job all the more difficult.

Lucy Powell: I am not sure whether the hon. Gentleman is saying that he thinks that selection would work in such areas. There is no evidence for that at all, especially when I look at the fantastic schools in my constituency. My constituency has some of the highest levels of deprivation in the country—I think it is the second highest in the country for child poverty in the whole country—but I have some outstanding schools that get amazing results in a comprehensive setting. I do not understand how selection will help them; it will simply make their job all the more difficult.
In Britain at the moment, that social contract and the greater opportunities for their children and grandchildren.

Frankly, we cannot afford not to tackle it. The UK economy up to £14 billion a year by 2050, or an additional worse for an entire generation of young people".

Sheffield, Hallam (Mr Clegg) for co-sponsoring this debate in which people can broadly agree on today’s debate. The November 2016 Social Mobility Commission report said:

“Britain has a deep social mobility problem which is getting worse for an entire generation of young people”.

The Teach First briefing for this debate says:

“Failing to improve low levels of social mobility will cost the UK economy up to £14 billion a year by 2050, or an additional four per cent of GDP.”

I was just looking at Twitter, as you do, and I see that somebody has tweeted, “How can there be a debate this afternoon if everyone agrees?” I suspect many of us spend our time trying to explain why everybody disagrees in this place, and why we are busy arguing and falling out with each other, so on the whole I think it is rather nice to have a debate in which people can broadly agree that there is an issue with social mobility in this country that we all want to tackle.

I thank the hon. Lady and the right hon. Nicky Morgan: My hon. Friend is absolutely right. The importance of families and of having two parents or two important role models in life—and of both boys and girls having a strong male role model—should not be underestimated. It is no secret that I disagree with my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) on some policy issues, but the work that he did at the Centre for Social Justice and the work that my hon. Friend the Member for Enfield, Southgate (Mr Burrows) is doing now on the importance of family relationships and public policy should not be underestimated.

Siobhain McDonagh: On the issue of working hours, I find in my south-west London constituency that the bigger determinant is ethnicity. If people have travelled a long way to get here, an education is the most important thing for them. In my experience, their children do exceptionally well whenever hours they work, because they imbue them with the importance of education. The young people who go to the grammar schools in south London, other than the privileged ones, are overwhelmingly from particular ethnic minorities. In my experience, that particularly includes children from the Tamil community.
Nicky Morgan: The hon. Lady makes a really interesting point. There is a broader point, which is that we are sometimes reluctant to explore too far the differences in social mobility between different communities and people from different ethnic backgrounds. She is right, in that anyone walking around Chinatown on a Saturday morning will see children sitting there, often in their parents’ restaurants, actually doing their homework. I do not need to tell the Minister about the successes, particularly in maths, of students from the far east.

The hon. Lady is absolutely right to talk about drive and aspiration, and I will come on to aspiration in a moment. It always struck me when I was Secretary of State for Education that around the world young people and their families are fighting for education, and sometimes in this country we have parents fighting to take their children to Disneyland. That tells me that education is not given the importance in everybody’s lives that it should be given. I suspect that part of the success of the London challenge—it is difficult to unpick exactly what was behind it, because there were lots of factors in the London challenge that made a difference—was due to the diverse ethnic backgrounds and the importance that people from different ethnic backgrounds attach to education, and everything that goes with that.

As I was saying, there are parts of the country that feel they are very much left behind other parts. That is picked up in the commission’s report, which also says that “today only one in eight children from low-income backgrounds is likely to become a high income earner as an adult.”

Politicians and the Government have to find a way of renewing that social contract; otherwise, we are playing into the hands of those who would feed on the dissent and take advantage of it at forthcoming elections. That means that we need to focus on communities and areas where social divisions are at their widest and where social mobility has stalled or is going backwards.

Recently, I have been studying the Louise Casey review of opportunity and integration. We are awaiting the Government response to it. It is a fascinating report, in which she says that integration is a key part of a successful immigration policy. I do not think we have used the word “integration” in our immigration discussions enough. I do not expect the Minister to respond to that point, because he is not a Home Office Minister, but Louise Casey goes on to say that social mobility is a key part of integration:

“As well as providing economic advantages, social mobility also provides knock-on benefits such as reducing grievances, heightening a sense of belonging to a country or community and increasing geographic mobility and social mixing too.”

As I said, schools and education are the great driver of social mobility. It is worth drawing attention again to what the Social Mobility Commission report says:

“Despite a welcome focus on improving attainment in schools, the link between social demography and educational destiny has not been broken”.

The hon. Member for Manchester Central was right to say that that is not the fault of one Government, but has happened over successive years. However, it cannot be right that that link between social demography and educational destiny has not been broken. The report states that “over the last five years 1.2 million 16-year-olds—disproportionately from low-income homes—have left school without five good GCSEs.” It goes on to say:

“A child living in one of England’s most disadvantaged areas is 27 times more likely to go to an inadequate school than a child living in one of the least disadvantaged. Ten local authorities account for one in five of England’s children in failing schools.”

We know where the problem is; we must work out how to fix it. What does that mean in practice? Those of us who have talked about choice in education must realise that for families who are surrounded by inadequate schools, “choice” is a hollow word. There are no good or outstanding schools in those areas, and the families cannot afford to buy their way out of poor services or even the transport to a different area.

The focus on areas is right. In the White Paper that the Department published last March, “Educational Excellence Everywhere”, areas of entrenched educational underperformance were announced, where access to high quality teachers, leaders and sponsors was insufficient. They are now opportunity areas and I hope that the Minister will say more about them in his concluding remarks. It will be helpful to know the plan for investing in them, the services that will receive attention and how we will tackle getting high quality teachers, leaders and sponsors into them. We can be more directional. That is where Government can give a lead.

The hon. Member for Mitcham and Morden (Siobhain McDonagh) said that it is about not just academic attainment but aspiration. One of my most formative experiences—I have probably shared it with hon. Members previously—was visiting a primary school in Lancashire. It was a good primary school. It would be fair to say that the staffroom was not inclined towards my politics, but we had a robust discussion. I was struck by the fact that the headteacher had moved to this rather nicer area and this good school from an inner-city primary school. She said of the latter, “Oh well, those children were never going to be more than ‘requires improvement’”. How can someone write off children before they reach the age of 11 as never amounting to more than “requires improvement”? What a waste of human potential. That is where Government can give a lead.

Attitudes in families of, “My child can access a profession, go to university, get a great apprenticeship”, even though perhaps the parent did not, should be encouraged. We must also foster the attitude in schools that children will fulfil their potential.

Siobhain McDonagh: I believe that all parents aspire for their children, but some do not know how to make things happen. We know that doing more homework on more evenings is more likely to get children to where they aspire to be. The inability to connect reality and the required work with the aspiration is a problem.

Nicky Morgan: I agree. It is not that parents do not want the best for their child. If you ask most parents on the birth of a child, they want their child to be happy, healthy and successful in life. I will talk about extra-curricular activities shortly because again, there is a social injustice in access to those activities. The hon. Lady is right about support. All the nagging that middle-class parents do about homework, or chivying children to read more books, often does not happen elsewhere, not for lack of wanting to do it but perhaps because it was not done to those parents. Going into a child’s school and challenging teachers is anathema to someone
who has had a very unhappy school experience. Attendance at parents’ evenings is indicative of the support that children get at home.

Aspiration is about aiming high for young people. I did not have a chance to look up the name of the school, so I apologise for not remembering it, but I went to a fantastic primary school in Northamptonshire, where a high proportion of children had free school meals, but it was working with the Royal Shakespeare Company and every child had access to Shakespeare and his language. I heard the tiniest children talk about Shakespeare’s characters and watched the older children perform complicated scenes—I would have had difficulty remembering all those lines, but they were doing brilliantly. The headteacher there had high aspirations. He said, “All my children will be able to do this and benefit and learn.” They were doing incredibly well.

I pay tribute to the National Association of Head Teachers for setting up its “Primary Futures” campaign, which is about getting adults into schools to talk about their careers and broaden horizons. When I was in the DFE, we set up the Careers & Enterprise Company. Broadening horizons, and aspirational and inspirational careers advice, are important. There will be a difference of opinion in the House about work experience, which we have debated. One week’s dry work experience in an office will not necessarily set the flame alight, but I remember talking to some apprentices, who told me that a week at Rolls-Royce, where they could see how the maths they were learning would be applied in the workplace, does set the flame alight. People then go back to school more determined to do better in their maths classes.

There is a changing labour market. In the article at the weekend that the hon. Member for Manchester Central mentioned the secondary heads in Surrey who had written about selection. The Leicestershire secondary heads, too, wrote to the Prime Minister and the Secretary of State for Education. Impressively, every single headteacher in Leicestershire signed the letter. If the Minister has not seen it, I hope he can get hold of a copy. One paragraph states:

“As professionals who have dedicated our lives to educating children across Leicestershire, our concern is for all the children in our region. Removing the most able pupils in our schools will have a negative impact on those who remain. Removing the option of ambitious, all ability comprehensive, with a scarcity of academic role models, will impact most particularly on the least affluent and least able. Therein lies the most significant injustice of this policy.”

Academic attainment is important and we should set high aspirations and ambitions for all pupils, but pupils in the best schools gain something else, and I want all pupils to gain it. This was one of the things I tried to champion when I was in the Department for Education. I am thinking of the character traits—perseverance, resilience, self-confidence, self-esteem—and the values and virtues of integrity, honesty and whatever it might be, that help to build a whole pupil. I was at Elizabeth Garrett Anderson School in north London recently. The school focuses on building social capital among its pupils. It is conscious of the fact that its pupils will have to compete with the independent school down the road. I visited the King’s Leadership Academy in Warrington, which is a new free school, now over-subscribed, where behaviour is excellent, and where aspirations are incredibly high. All the young people are trained for leadership. Kings Langley School in Hertfordshire and Gordano School near Bristol are fantastic schools—I could go on.

Educating young people is about not just what happens in the classroom, but access to other schemes. I pay tribute to the former Prime Minister and the current Government for their focus on the National Citizen Service and other schemes: social action, volunteering, uniformed activities such as the cadets, the guides and the scouts, and the Duke of Edinburgh award. They all help to build up experience and confidence in young people. Those of us who have been employers and have interviewed see the ability of some young people to walk through our door, look us in the eye and shake us by the hand. Some children are taught that and encouraged in school, but some are not. These things matter in helping young people to get on.

I mentioned extracurricular activities. The commission’s report specifically talks about the effect different social backgrounds have on how people participate:

“One study found that 43 per cent of children whose mother had a postgraduate degree had music lessons, compared with just 6 per cent of children whose mother had no qualifications. At the age of 11, 85 per cent of children whose mother had an undergraduate degree participated in organised sport outside of school, compared with 56 per cent of children whose mother had no formal qualifications.”
I was very pleased that in last year’s Budget the then Chancellor announced funding for a longer school day. It would be helpful to know what emphasis the Department will place on that to help schools provide such activities. It is not necessarily about the schools themselves providing the activities; it could be enabling all young people in their schools to take up a place and participate.

Mr Burrows: I very much support what my right hon. Friend says, particularly about social capital and building character through education. The Government have committed to a statutory requirement for relationships education. Many children, sadly, come from a background of conflict, trauma and survival. There is now the opportunity to provide them with the building blocks that others receive outside school to build resilience, self-esteem and respect for others, and help to build that character which is so vital for their long term future.

Nicky Morgan: I agree with my hon. Friend. I was very pleased to support his amendment on sex and relationships education, and I am very pleased that the Government have taken that on board and accepted an amendment to the Children and Social Work Bill. He is right to say that. One of the most important characteristics is resilience, or to use the awful phrase, stickability and bouncebackability: the ability to deal with what life throws at them and not be blown off course. Anything that schools, adult role models and other organisations can do, in addition to families, to help young people to develop that characteristic will go at least part of the way to building the more resilient and confident young people we need for the 21st century.

I do not think we will all agree with everything in the commission’s report, but it shows that we have a problem with social mobility. For those of us who are one nation politicians, that should make us very uncomfortable. There is talk of a meritocracy, but the difficulty is this: who decides who has merit? I would prefer to say that everyone has potential, but that in some cases the keys to unlocking that potential are more readily available to some than others. Today’s debate is about working out what those keys are and how they are handed out, and about building a consensus, or perhaps cross-party momentum, on how to do just that. But it has to be about more than words. Much has been done by this Government and by previous Governments, but there is much more to do if we are to show how we are going to renew our broken social contract and build real social mobility in this country.

3.48 pm

Mr Nick Clegg (Sheffield, Hallam) (LD): I thank the hon. Member for Manchester Central (Lucy Powell) and the right hon. Member for Loughborough (Nicky Morgan) for the cross-party collaboration and work that has secured this debate on this all-important subject. In time-honoured Westminster fashion, there is an inverse relationship between the importance of a subject and the level of attendance, but that does not mean we should not persist. I join them, and everyone who has spoken today, in expressing my condolences to the family and friends of those injured and killed in yesterday’s horrific attack. I would like to pay my own heartfelt tribute to, and admiration for, the emergency services and the police who work so tirelessly, as they did yesterday, to keep us safe.

There is a choice that hangs like a backcloth to this debate: do we want to live in a closed society in which people are, in effect, told to know their place, or do we want to live in an open society in which people are able to choose their place? There is, I hope, an unarguable cross-party consensus that we should aspire to the latter.

I am delighted that the Social Mobility Commission, under the chairmanship of Alan Milburn, produces these excellent annual reports. I would say that, because I set up the commission: I announced its establishment on 5 April 2011, and we subsequently legislated for it. On the same day—it is interesting to look back on this—I announced the introduction of a new set of indicators that would help Whitehall to judge whether social mobility was being progressed or not. I also established a ministerial committee on the subject, which I chaired for many years.

At the time, all those things were new. Whitehall did not have a set of indicators, and we did not have a Social Mobility Commission. Extraordinarily, when I entered the Government I discovered that there were interns working in Whitehall and paid by the taxpayer who were judged purely on the basis of who they knew. Even in the heart of Government, prior to 2011, people were being given a leg-up because of who they knew rather than what they knew. It is fantastic that, in the intervening five or six years, social mobility has become a regular feature of the annual cycle of announcements.

I remember the then Prime Minister, David Cameron, observing to me rather ruefully that he thought I might have made a mistake by insisting that a member of the Opposition should chair the precursor of the Social Mobility Commission, because the first report produced by Alan Milburn and his colleagues had been critical of something that the coalition Government had done. I said to him, “That is the whole point: we need an institution that is independent of Government and contains people who will be fearless in their criticisms of any Government of whatever political persuasion, and which”—this is guaranteed by law—“reports to Parliament, not to the Government.”

The commission has—I will put it politely—had its wings clipped a little by the present Government. Shortly after the last election, the Government announced that they would remove the child poverty remit from what was formerly called the Child Poverty and Social Mobility Commission. I very much hope, and I am sure the Minister will reassure us, that that is not the first step in an attempt to make the commission in any way more docile, or less ferocious, in its all-important work.

I want to dwell on three issues, all of which are touched on in the annual report that the commission produced last November, and many of which have already been touched on by my co-sponsors. The first, the role of early years support, was highlighted by the hon. Member for Manchester Central, to whom I pay tribute, because she has made it a personal mission and has done so in an admirable way.

I think we all know this intuitively as parents, but, crucially, over the last decade or so, the academic evidence—from neuroscience to research done by educationists—has confirmed the axiomatic importance of what happens to a child’s brain, a child’s ability to learn, a child’s willingness to learn, a child’s willingness and ability to adhere to authority, a child’s ability to mix with other...
children, and so on. So much of that, of course, is formed, or not fostered, in the home, but a huge amount can be fostered, or neglected, in the early years and pre-school support that is given to our children.

There are two matters that concern me slightly. What I am probably most proud of from my time in government was the initiative that we took to provide 15 hours a week of pre-school support for two-year-olds. No Government had done that before: all early years and pre-school support had previously been confined to three and four-year-olds. I was keen for us to act on the evidence that the earlier we start—and, crucially, the earlier we start with those from the most deprived families—the greater the multiplier effect on children’s subsequent educational performance. So we introduced that measure. It initially applied to two-year-olds whose families were in the lowest 20% income bracket, but we later doubled that to 40%. That is where it stays to this day: there is a 15-hour entitlement for two-year-old toddlers from families that fall into the 40% lowest income families category.

The Government have now embarked upon a dramatic expansion of the entitlement for three and four-year-olds. I say, as someone who did not get into the bunfight between the two larger parties in the last general election, that that was—let us not beat about the bush—frankly because of a great Dutch auction in which the Labour and Conservative parties at the last election tried to outdo each other on how much they could improve the income families category.

Mr. Nick Clegg: I simply make a plea to us all to pause and consider whether, in a time of constrained resources when we have to make choices, this is really the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith). There is growing evidence, not least through the Department for Work and Pensions programme on parenting, of the quality of the relationship between parents having a huge impact on children’s long-term wellbeing, mental health and life chances. There should be a focus on that. There is a lot of well-evaluated evidence from the parents as partners programmes showing that we need to focus on these quality relationships all the way through as providing the foundation for long-term prospects.

Mr. Burrowes: In a spirit of consensus, I would point out that one of the successes of the coalition Government was the focus on early years and the early years foundation stage, which came not least out of the work of the hon. Member for Nottingham North (Mr. Allen) and my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). There is growing evidence, not least through the Department for Work and Pensions programme on parenting, of the quality of the relationship between parents having a huge impact on children’s long-term wellbeing, mental health and life chances. There should be a focus on that. There is a lot of well-evaluated evidence from the parents as partners programmes showing that we need to focus on these quality relationships all the way through as providing the foundation for long-term prospects.

Mr. Clegg: The hon. Gentleman is entirely right. I have gone on a bit of a journey on this: I have always had a somewhat kneejerk liberal reaction of slight squeamishness and reticence about the idea of politicians, the Government, Whitehall and public policy experts seeking to tweak or improve how parents choose to raise their children, which I intuitively think is no business of politicians, but I agree with the evidence. Much like the right hon. Member for Loughborough, I agree on almost nothing with the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) on many issues, but on this I think that he led the pack in saying that this is something that politicians need to grapple with, although we need to do so with care.

The first page of the summary of the report recommends that the Government should introduce “a new parental support package, including a guarantee of help if a child’s 2 to 2½-year check shows that they are falling behind.” I entirely agree with that. Public policy is inching towards greater involvement in an area that many folk have previously felt should be kept immune from such interventions.

I want to make one more point about early years that I am sure everyone here is aware of: it is unglamorous, rather fiddly and difficult to fix, but it is acutely important: it is the quality of early years provision. The pay and status of early years teachers are real problems. We do not have enough men going into early years teaching.
Pay is very low, and there is no qualified teacher status. As the Government seek to expand the entitlements for three and four-year-olds, it is terrifically important that quality does not come at the further cost of diminished quality. If the Minister can tell us how the quality, status and—in the long run—pay of early years teachers can be improved, so much the better.

I also want to talk about money. In those glory days back in 2010, I intervened aggressively in internal discussions when we had to announce what was in many ways the fateful comprehensive spending review setting out all sorts of unappetising cuts. I insisted that the per-pupil and indexed core budgets for schools should be protected. Those budgets needed to be protected in terms of prices and of pupil numbers, not least so that we could then add on the pupil premium in a meaningful way and ensure that it added genuine value.

I look now at the trouble the Government are getting into, and yes, a lot of this is complex. A lot is to do with the higgledy-piggledy, unjust, idiosyncratic way in which schools have had their budgets allocated to them over many decades, but some of it is pretty obvious. The Government simply cannot cancel the £600 million education services grant, as they did shortly after the 2015 general election, while protecting the per-pupil allocation only in cash terms and not in real terms and while diverting hundreds of millions of pounds to free schools—many of which are doing a great job, but frankly, far too many of which have been opened in places where there is no desperate need for extra places—and possibly compounding that error by spending hundreds of millions of extra pounds on new selective schools, and then ask schools to shoulder their own newly increased national insurance and pension contributions and, in some cases, apprenticeship levy costs, and, on top of that, introduce a national funding formula with no additional money to make that work. If they do all that, they are bound to get into terrible trouble.

I do not say this in a spirit of recrimination, but the Government should not be surprised that they are encountering huge resistance to these plans across the House and huge disquiet from parents, headteachers and governors up and down the country. There is a limit to how much they can keep expecting improved performance from a schools system that is being put under those multiple and entirely self-inflicted financial stresses and strains.

I know a little bit about this because, in the coalition Government, we looked exhaustively at the case for introducing a national funding formula. In principle, the case for doing so is impeccable; of course it is. The current situation is woefully unfair. There are many non-metropolitan schools, smaller rural schools, suburban schools, schools in the shires and so on that have received far less funding over a long period. However, the problem is that if we introduce a national funding formula in a way that does not raise the overall financial tide for all schools, what happens is exactly what is happening now. The schools that think they are going to gain pots and pots of money are disappointed at how little they gain, and those that are going to lose will lose an unacceptably large amount of money. No one is pleased.

The one issue in this debate on which I disagree with the right hon. Member for Loughborough is that, if I am wrong, but one way to try to square the circle is to take a little money from the deprivation allocation and raise the floor or the minimum amount—

Nicky Morgan rose—

Mr Clegg: Have I got it wrong?

Nicky Morgan: The intricacies of the national funding formula are probably not quite right for this debate, but the right hon. Gentleman wants to consider the different grades of deprivation and how they are funded. Of course, there is the pupil premium outside the national funding formula, but there is also the income deprivation affecting children index, or IDACI, which looks not only at the overall deprivation weighting, but the weighting within the different deprivation gradients. That needs to be reconsidered and the Department needs to rerun the numbers.

Mr Clegg: I am grateful for that explanation. I will not try to improve upon the technical proficiency and expertise that the right hon. Lady has just displayed, because I cannot match her for that. I hope in many ways that she has just made my point, which is that we are condemned to fiddling around in the undergrowth to shift a little bit of money here or there to try to square a circle.

We came to the conclusion in the coalition—the Minister may remember—that it is not possible to introduce a national funding formula in a way that is just and fair if it is not pump-primed with a lot of money. I cannot remember whether it was in 2013 or 2014, but we did the next best thing, which was to use about £400 million as a stopgap measure—the Minister may have announced it at the time—to target the underfunding of the most underfunded schools. I pleaded with the Minister to learn from the past and, because I doubt whether any new money will be forthcoming from the Treasury, do that again. It is not ideal. It is a stopgap. It is temporary, but it is much better to allocate targeted resources to the schools that rightly complain about having been most hard done by under the current funding formula than to annoy and upset everyone in the way that the Government appear destined to do if they carry on with their current trajectory. That is my helpful suggestion for a way out for the Government from this politically invidious position in which they find themselves.

My final point has been made already, but it is worth repeating and relates to the importance of evidence-based policy. It really should not have to be restated that when we consider something as precious and as important as how we design the education system for our children, we should always be led not by dogma, ideology or personal hobbyhorses, but by the evidence. I do not want go over many of the points made earlier, but this old idea of improved selection perplexes me—that is the politest way of putting it. No international, national or local evidence whatsoever is being wheeled out. If the evidence is not there, let me at least make a political plea: the proposal is not actually popular with parents. Opinion polls show that older voters like it, particularly those who remember grammar schools in the old way,
but parents, who actually have to make invidious choices about where to send their children, hate it.

The Government appear to have forgotten why previous Governments, including previous Conservative Governments, stopped the expansion of selection. It was precisely because they were encountering such resistance from their own voters, who do not like it. I ask people in the Westminster and Whitehall valley why on earth we are proceeding with something that parents do not like, for which there is no evidence and for which there is no manifesto commitment at all. I do not remember the Conservatives populating our television screens in the run-up to the 2015 general election saying, “And we will introduce grammar schools.” There is no mandate for it. I am told—the Minister will not be able to confirm this—that one unelected political apparatchik in No. 10 went to a grammar school and has apparently persuaded the Prime Minister that they are therefore a good idea.

I am sure that it is not as simple as that, but surely it cannot be the case that the whole of Whitehall is being led by the nose because of the personal prejudices of one unelected political appointee in No. 10. I have to put on record this magnificent quote from Russell Hobby, the leader of the National Association of Head Teachers, writing in The Times Educational Supplement:

“In no other sector would this be acceptable. If the minister for health proposed to increase state funding for homeopathy on the basis that it did wonders for his uncle’s irritable bowel back in the 1970s—and must, therefore, be right for everyone today—there would be an uproar. This is a precise metaphor for the expansion of grammar schools. It is educational homeopathy.”

I hope that the Minister, who of course will not be able to disagree with the new orthodoxy, will none the less privately go to the Secretary of State for Education, and to the other powers that be in Whitehall, to stop the fetish for selection before it gets this Government into terrible trouble.

Where does the evidence suggest that we should do more? I am not exactly declaring an interest, but I chair a cross-party commission for the Social Market Foundation—there are Labour and Conservative Members on the commission—and we are looking at some of the key evidence-based drivers of increases in, and the existence of, inequality in the education system. One of our most striking early conclusions from the data we have seen and our original research—we will be producing a concluding report in the next month or two—is, I should think, intuitively obvious to us all, much like the importance of early years.

There is an intimate relationship between educational underperformance in some of the more deprived parts of the country, and the high teacher turnover and lack of experienced teachers in those schools. It really is very striking. The proportion of unqualified teachers working in primary schools with the highest concentrations of pupils on free school meals is 4%, but it is half that in the most affluent quintile. There is a similar pattern in secondary schools, where 5% of teachers in the richest schools, if I can put it like that, are unqualified, compared with 9% in the poorest schools. Schools that serve the most disadvantaged communities also experience far higher levels of teacher turnover than neighbouring, more advantaged schools.

This policy challenge, which does not detonate with the same attention and fury from the media as selection and so on, is a mundane but, none the less, crucial one. What can we do to attract highly qualified teachers to those parts of the country to which they are not presently attracted and/or to make sure that teachers in those schools stay and are supported to improve their own experience and qualifications? The Department for Education is looking at that, and I very much hope that—as we all continue to grapple with the elusive problem of how to build an open society in which people can go as far as their talents, application and dreams take them, rather than having their life fortunes determined by the circumstances of their birth—it is one of the many areas in which the Government will seek to make a positive intervention in the years ahead.

4.13 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I associate myself with the comments of all Members in relation to yesterday’s incident. It still seems completely unreal, and my thoughts are with the brave police officer outside defending us who lost his life just doing his job—it is hard to come to terms with that. Without prejudging the person who did this, I suspect that issues of social mobility might apply here. I particularly reference Louise Casey’s report on the need for social integration among all peoples.

I thank the right hon. Members for Loughborough (Nicky Morgan) and for Sheffield, Hallam (Mr Clegg) and my hon. Friend the Member for Manchester Central (Lucy Powell) for securing this important debate. As a girl who went to a secondary modern, I wholeheartedly support their article in The Observer last week making it clear that grammar schools are not the answer to social mobility.

I was proud to be part of the previous Labour Government, for whom social mobility and education were absolutely priorities. Earlier, I was able to give thanks to Lord Adonis who, in my assessment, was one of the best Ministers we ever had. I note today’s figures on teenage pregnancy rates. The Labour Government’s efforts to reduce teenage pregnancy were so successful that those figures suggest that that is at its lowest ever level.

As the Social Mobility Commission’s “State of the Nation 2016” report sets out, under the current Government we are slipping back decades on the progress that has been made. Those born in Britain in the 1980s are the first generation since 1945 to start their careers on a lower income than their parents. A child living in one of England’s most disadvantaged areas is 27 times more likely to go to an inadequate school than a child in an affluent area. Just 5% of children who receive free school meals will secure five A grades at GCSE. Children from low-income homes are 30% more likely to drop out of education than their wealthier classmates with similar GCSE grades. Overall, by secondary school age, pupils on free school meals lag behind their wealthier counterparts by around 20 months.

For working people in my community, the link between social class and professional success is more entrenched than ever. Only one in eight children from low-income backgrounds is likely to earn a high salary as an adult. Working-class people make up only 4% of doctors, 6% of barristers and 11% of journalists—a whole generation of talent is being frozen out. But I wish to make it clear that grammar schools are not the answer. A House of
Commons Library research briefing from earlier this month states:

“Pupils at grammar schools are much less likely than average to…be eligible for free school meals”.

Indeed, only 2.6% of pupils at grammar schools are eligible for free school meals—a well-understood signifier of poverty—whereas nationwide 14% of all students are eligible.

Part of the reason why poor students are so under-represented at grammar schools is that the attainment gap between richer and poorer students is clear even when they are only a few years old. The Library briefing states that

“of the 6.9% of pupils eligible for FSM with high prior attainment who are near selective schools, only 2.4% actually attended a grammar school.”

Let us be clear: grammar schools do not work for even the very brightest poor students, never mind the average or below-average student. Grammar schools educate a minority—just 5%—of state school students, so while the Government waste time banging on about grammar schools, the needs of 95% of our state school students are being ignored.

When I talk about social mobility, I am not just talking about the brightest poor students; I am talking about the poor students who are average but who deserve no less to succeed in life through hard work. We really need to prioritise comprehensive school education; if we do not, we will never address the national scandal of white working-class underachievement in this country.

Let us be clear: underachievement is a class issue and an ethnic issue. White British boys and girls who receive free school meals are consistently the lowest performing group at GCSE level, and the genders show no difference. It is not about boys; it is about boys and girls. Last year, only 32% of working-class white British students who receive free school meals achieved the GCSE benchmark, compared with 44% of mixed-race students, 59% of Bangladeshi students, 42% of black-Caribbean students, and 47% of Pakistani students receiving free school meals. Over the past 10 years, the educational attainment of white working-class students has improved much more slowly than that of almost any other ethnic group.

A good school can be life changing. I had the honour of being on the Education Committee and to play a part in a report that looked at white working-class underachievement. What we learned was how much we really need to prioritise comprehensive school education; if we do not, we will never address the national scandal of white working-class underachievement in this country.

The benefit of being at a good school is a much more grateful to it for having two secondary schools in my constituency. Last year, Harris Academy Merton achieved some amazing GCSE results, with a staggering 77% of students achieving five A to C GCSEs including maths and English, compared with the national average of just 54%. These schools, not grammar schools, should be our ideal. The pupil premium needs to be used to ensure that disadvantaged pupils receive the focused support that they need. We need to give academically average students from poor backgrounds better alternatives to university. Social mobility is about not just the children at the very top doing well, but all children being able to aspire and surpass expectations, including the average and below-average student.

If I have a couple of minutes—I do not want to take any time from other Members—I would like to address housing in not only south London, but all of London, as it is a major dampener on social mobility. If someone is in temporary accommodation and they live miles away from their home area, they do not get to school. Every Friday at my advice surgery, I meet families who are being fined for non-attendance at school, simply because they now live two or three hours away from their schools. I have letters that would make Members cry about clever pupils missing their exams because they physically cannot get to school to take them because of their housing situation.

Social housing is not fashionable. It is not something that everybody will come together about, but unless people have a secure and consistent roof over their head, the possibility of their not achieving is huge.

4.22 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I too wish to associate myself with the comments that have been made by hon. Members today regarding the tragic events yesterday. I also send my condolences to the families of those who lost loved ones in yesterday’s incident.

I congratulate my hon. Friend the Member for Manchester Central (Lucy Powell) and the right hon. Members for Sheffield, Hallam (Mr Clegg) and for Loughborough (Nicky Morgan) on securing this incredibly important debate. As the chair of the all-party group on social mobility, I am pleased to have the opportunity to debate this very important issue. I am sure that all Members who attended this debate will have read the Social Mobility Commission’s latest report. For those who have not or who are watching at home, they really should read it, because it represents an urgent call for action on opportunity and the state of our nation.

For too long, we have allowed privilege and connections to override ability and potential. We have failed to recognise that there is a criminal waste of talent—generation after generation—and we have mistakenly and unquestionably accepted the myth that greater economic prosperity means greater opportunity for all. All those beliefs have been questioned by this report.

There is a crisis of opportunity. As my hon. Friend the Member for Manchester Central said, this is a crisis for everyone; it affects everyone. The motion before the House calls for the focus to be on improving educational outcomes for all children. The commission’s report makes it very clear that if we are genuinely to improve outcomes for all children, we need to intervene and give them more support well before they start school.

My hon. Friend set out the issues in this area very well. We know that by the time students receive their GCSE results, 32% of the variation in performance can be explained by indicators observed before the age of five. A number of studies show that cognitive outcomes vary hugely among toddlers according to their parents’ socio-economic group, and that by the age of five that gap has widened further. Yet much of the debate on social mobility is centred on attainment at later stages of development—it feels a little like closing the stable door after the horse has bolted.
In the past decade, 500,000 children from poorer backgrounds were not school-ready by the age of five. We know that, for many, the gap at the age of five will still be there when they leave school, if it has not widened even further. If we do not get the building blocks right from the start, it just makes everything so much harder. The Social Mobility Commission’s proposal for a guarantee of help for children shown to be falling behind at the age of two to two-and-a-half is something that we must take very seriously.

I found the commission’s comments on early years childcare interesting, particularly in the context of the Government’s planned expansion of free childcare to 30 hours a week. From what I have heard from local childcare providers, it is pretty clear to me that it is going to be an enormous challenge for them to maintain standards on the funding that they expect to have available. The commission has said that a situation is already developing where poorer children are twice as likely to have access to low quality childcare than those from wealthier backgrounds are.

The right hon. Member for Sheffield, Hallam raised a pertinent issue when he asked whether the emphasis is right in where the investment goes in early years. I am concerned that we are heading for a situation where the focus on fulfilling that pledge on hours of access will override the important points that are being made about the need for early years childcare to play a vital role in ensuring that every child starts school life in the best possible position. We cannot think it acceptable for there to be an almost laissez-faire attitude to those most important early years of a child’s life, when all the evidence tells us that it could have a profound influence on their life chances.

Getting those early years right is hugely important, but once our children leave school they face a world where even the most talented have huge barriers in front of them. The all-party parliamentary group on social mobility report on access to the professions looked at opportunities in law, finance, the arts, media, medicine, the civil service and, indeed, politics, and found many similarities between the evidence we heard and the commission’s findings. Indeed, it was startling that, whatever the profession, the lack of opportunity and the reasons for that were often very similar. Across the board, privilege and opportunity go hand in hand. The Sutton Trust’s research shows that three quarters of British Oscar winners, half the top 100 news journalists and more than two thirds of British top 100 news journalists have been school-readies by the age of five.

One of the areas where we found that the evidence very much chimed with the commission’s recommendations was in relation to internships. Research has shown that 50% of vacancies in law, banking and finance are filled by graduates who have already worked for that employer in some capacity. Too often, internships are not just a way to get a foot in the door, but the only way to get through the door at all. They have become almost a way to get a foot in the door, but the only way to get there. So, unless someone is from that area and has parents who can afford to support them for extended periods, there is no prospect of their even being able to consider an internship. There needs to be a fair, transparent and open recruitment process for such placements as well: we often found that placements were determined by existing connections—be it family or business contacts. These placements need to have the same rigour applied to them as if they were a permanent job; otherwise, any proposals made on payments may just be easing the path for those who are already on it.

Another area where we found the evidence remarkably consistent concerned the aspirations that our young people have. As the right hon. Member for Loughborough said, it is often not that families do not want the best for their children; it is much more complicated story than that. I am sure that if I were to speak to a group of children from poorer backgrounds in most constituencies and asked them what they wanted to do when they were older, the vast majority would not say that they wanted to be a doctor or a lawyer, and certainly not an actor. For too many, the very notion that they should even consider careers such as those is almost universally absent. They need role models, mentors, inspirers—people from their communities who have been there and done that. We need to inspire kids from an early age to aim for wherever their abilities and interests take them. We should not accept that coming from the wrong part of town means low horizons. Getting a job should mean following a dream and forging a career, not just simply working to survive.

We need to develop a mindset within business whereby we treat social mobility on a par with protected characteristics in terms of a diverse workforce. We rightly challenge it when we see minority sections of society not getting an equal opportunity, and we should do the same here. We cannot allow the situation to continue where someone’s background is likely to be the biggest factor in determining their chances of success in life. The social mobility index should be rolled out to all employers over a certain size, so that there is a clear and public record of what our biggest companies are doing to ensure that opportunity is there for all.

A study by the Boston Consulting Group for the Sutton Trust in 2010 found that failing to improve low levels of social mobility will cost the UK economy up to £140 billion by 2050. In the inquiry, we certainly heard from some employers who recognised that their business benefited from having people who were like, and therefore understood, their customers. Sadly, they were the exception rather than the rule. Businesses need to be persuaded that it is not only the right thing to do morally, but that it makes sense for them as businesses.

The media was one area where we felt that companies needed to do more to appreciate the benefits of having a diverse workforce. Indeed, only last week the London Evening Standard provided the perfect example of what is going wrong with social mobility. Although I am sure the right hon. Member for Tatton (Mr Osborne) has many talents and a broad range of skills in a number of areas, does anyone seriously believe that he has the experience that qualifies him to be the editor of a daily newspaper? My 15-year-old son has more recent experience with the daily news, and he is a paperboy. But there is a serious point here. What kind of message does this send to those kids who are spending months and months on
unpaid placements in the media? And this is an issue not just in the media; it is widespread in the arts and politics as well.

As the right hon. Member for Sheffield, Hallam said, this country is too closed. It is a country where, far too often, where we are born and who we are born to define our life chances. Parents believe that their children will have less opportunity than they did, and that is a shameful state of affairs for this country. Automation and artificial intelligence will only exacerbate the problem, and we are miles away from even beginning to understand the social impact that that will have. The only way we will be able to meet this challenge is by intensive, long-term Government intervention, over not just the long term of a Government but the long term of our lives—not just at five or 15, but at 35 and 50 and so on. The world of work will change more rapidly than ever before and we need to recognise that opportunity is something that will need to be addressed not just in our younger years but throughout our lives. We have to invest in ourselves throughout all of our working lives and we will need Government support to do that. Too often, there is talk about the number of jobs created, but too little talk about the quality and permanence of those jobs. Social mobility cannot take place against the backdrop of an explosion in part-time and insecure employment.

In conclusion, there have been many fine words today about the need to improve social mobility, but it is time for us to listen to the evidence about what works and put those words into action.

4.32 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): I associate myself with all the remarks made about the senseless, horrific events of yesterday, and with the tributes paid to the people who lost their lives, including the brave police officer who was defending us all.

It is important that we continue undeterred to debate this important “State of the Nation” report by the Social Mobility Commission. I was an academic sociologist before I came to this place. Having turned into a politician, I sometimes feel that there is something of a mismatch between theory and practice. Academics kind of think that something works if it works in theory, but, as politicians, we might have the media in our face and have to think of a quick soundbite, or there might be someone in our surgery who needs a problem resolved quickly. I am still grappling with the same questions of social class and life chances that I grappled with as an academic.

It is important that we all reject the notion that we have had enough of experts, and part of the reason that I wanted to speak in this debate is that the people on the commission are eminent academics and practitioners. I want particularly to focus on chapter 2, which is on social class and life chances. Parents believe that their children will have less opportunity than they did, and that is a shameful state of affairs for this country. Automation and artificial intelligence will only exacerbate the problem, and we are miles away from even beginning to understand the social impact that that will have. The only way we will be able to meet this challenge is by intensive, long-term Government intervention, over not just the long term of a Government but the long term of our lives—not just at five or 15, but at 35 and 50 and so on. The world of work will change more rapidly than ever before and we need to recognise that opportunity is something that will need to be addressed not just in our younger years but throughout our lives. We have to invest in ourselves throughout all of our working lives and we will need Government support to do that. Too often, there is talk about the number of jobs created, but too little talk about the quality and permanence of those jobs. Social mobility cannot take place against the backdrop of an explosion in part-time and insecure employment.

In conclusion, there have been many fine words today about the need to improve social mobility, but it is time for us to listen to the evidence about what works and put those words into action.

This morning, the Prime Minister praised London as the greatest city on earth, and I am proud to be a London MP. People have mentioned the so-called fair funding formula, but 70% of London schools will be worse off under these new arrangements.

In my constituency, schools budgets will be down by a whopping £5,524,197 by 2019—that is 137 teachers. This is an average child will receive £485,52 less funding. The problem is most acute in Acton, where we have wards in some of the poorest deciles. I will be doing my surgery in Acton High School tomorrow, and my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) mentioned how people come along to our surgeries with horrific stories about their housing conditions—their mobile phones with pictorial evidence of the conditions they are living in—and about how they have been shipped far away because of the bedroom tax. However, Acton High School will be down £961 per pupil and 26 teachers, and its budget will be down by £1 million.

The recommendations in chapter 2, on page 53, talk about how children from poorer backgrounds are experiencing a worrying drop-off in progress at secondary. The gap in progress between low-income families and their more affluent counterparts has been widening year on year since 2012, and we should be very concerned about that. One of the report’s recommendations is to ensure that funding cuts do not exacerbate the problem of less well-off pupils failing to make good progress at secondary, so the idea that this funding formula is fair is simply laughable.

As has been said, school education does not exist in a vacuum; the whole context of children’s learning is important. I was very fortunate to address a conference by a group called What About the Children?, which deals with nought to three-year-olds. As a parent, I was lucky enough to use Sure Start centres. Sure Start was simply laughable. The removal of the bedroom tax. However, Acton High School will be down £961 per pupil and 26 teachers, and its budget will be down by £1 million.

The right hon. Member for Loughborough (Nicky Morgan) mentioned parents’ evenings. I have to say that because of the five-hour lockdown yesterday, I managed to miss my parents’ evening—some people might say, “The lengths people will go to to get out of parents’ evenings!” However, the right hon. Lady is absolutely right that all these things—and having books in the house—make for a positive learning environment.

There is a lot that could be said about this report. Chapter 3 goes on to post-16 education and training. I worry about rising tuition fees. In my seat, I have the University of West London, and I have had representations from staff and students that applications are down because of tuition fees and also because of the vote on 23 June—Brexit has created a climate in which international students no longer feel welcome. The removal of the nurse bursary—the university teaches nurses—is also detrimental to post-16 training and education and to jobs, and chapter 4 talks about jobs, careers and earnings for future generations.
In their Budget just the other week—it feels like it was ages ago, but it was only the week before last—the Government announced not only that they are ploughing on with their dangerous selective school experiment, but that they will provide free transport to grammars, which seems such a misplaced priority at a time of straitened circumstances.

There is much more that could be said. The eye-catching new 30 hours of free childcare sound good in theory, but try finding a provider in practice who can live up to that manifesto pledge by delivering those 30 hours and who thinks that the funding will be adequate to cover the increased costs it will incur in my seat. It is like looking for hen's teeth. Things are harder than they should be anyway. In London, families spend £15,700 a year on average on nursery fees. We all want the holy grail of affordable, good quality, flexible childcare, but it is a challenge to find it, to put it mildly. The childcare proposal is one of those things—like the decision to have an in-out referendum on Europe—that seem good in a manifesto but do not measure up to their promise.

Many sociologists these days consider the concept of life course, and my casework involves people right across the age range. We heard in the previous debate about the Equitable Life pensioners. The WASPI women, who were born in the 1950s, had high hopes for their futures and their life course, and they feel as though the trajectory of their lives has been thwarted twice by Tory Government changes to their pensions.

As everyone has pointed out, there has largely been consensus in this debate, with its cross-party ethos, and that is very welcome. Rather than pursuing an academic idea of making things work in theory, we need to work together to fix them in practice. It is assumed that every idea of making things work in theory, we need to work that is very welcome. Rather than pursuing an academic consensus in this debate, with its cross-party ethos, and changes to their pensions.

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As everyone has pointed out, there has largely been consensus in this debate, with its cross-party ethos, and that is very welcome. Rather than pursuing an academic idea of making things work in theory, we need to work together to fix them in practice. It is assumed that every generation will do better than the previous one, but the evidence in the Social Mobility Commission's report suggests that we are going in the wrong direction. Yesterday we were faced with lockdown, and we really were all in it together. At times like that, cross-party friendships and alliances flourish. Let us continue in this spirit, and let us heed the warnings and correct our erroneous direction of travel.

4.41 pm

Mike Kane (Wythenshawe and Sale East) (Lab): I join hon. and right hon. Members from all parties in the House in paying tribute to PC Keith Palmer, who gave his life to protect us, this place and all that it represents.

I congratulate my hon. Friend the Member for Manchester Central (Lucy Powell) and the right hon. Member for Loughborough (Nicky Morgan) and for Sheffield, Hallam (Mr Clegg) on securing the debate. My hon. Friend talked about Government policy, and about the idea of picking the few who would go from the council house to the Cabinet. Today might not be a day for humour, but the tale I tell is that I grew up in a damp two-bedroom council flat in Manchester, and since I became an MP I have lived in a one-bedroom ex-council flat in Westminster, so for some people the trajectory is downhill. I am one of the few in this place who can say that.

Yesterday, while democracy was being attacked, the Labour party members in Manchester, Gorton were selecting as their candidate another council house kid. He was orphaned out of Pakistan, grew up in abject poverty and worked as a labourer. After attending night school, he became a police officer and a solicitor, and he ran his own practice. I wish Afzal Khan all the very best over the next few weeks as we approach the election.

The “State of the Nation” report by the Government’s Social Mobility Commission explained the scale of the challenge we face in improving social mobility in Britain today. It told us in no uncertain terms:

“Britain has a deep social mobility problem.”

It identified “four fundamental barriers that are holding back a whole tranche of low- and middle-income families and communities in England: an unfair education system, a two-tier labour market, an imbalanced economy and an unaffordable housing market.”

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) spoke eloquently about that. To say the least, the Government—and the Minister, who has been sent to defend the policies that have led us to this point—have their work cut out for them.

The “State of the Nation” report presented the Government with a number of proposals on parenting and early years, schools, post-16 education, jobs and housing, but there is no evidence so far that the Government have listened to the proposals. That is why our debate today is so important.

For instance, the report calls on Government to “set a clear objective for early years services that by 2025 every child is school-ready at five and the child development gap has been closed”.

As a former teacher, I know that nursery teachers can predict with 95% accuracy what exam results the children in their care will attain at key stage 1, key stage 2 and key stage 3. The report also recommended that the Government provide “high-quality childcare to low-income families.”

The Department for Education has given no indication that it will adopt these plans. In fact, its policies could do exactly the opposite. The Minister probably needs to tell us why the Government are not directing resources towards those who need them the most. The Department will spend about £1 billion a year on a policy of so-called tax-free childcare, which will be of the greatest benefit to those who have £10,000 to spend on childcare. I will give way right now to any Member in the House if they know a low-income family who have £10,000 to spend on childcare. I will give way right now to any Member in the House if they know a low-income family who have £10,000 to spend on childcare.

I hope that the Minister will also tell us what the 30 hours of free childcare will actually mean for the tens of thousands of low-income families who, under the eligibility criteria, are not actually eligible for the extra childcare. As the right hon. Member for Sheffield, Hallam eloquently put it, this policy is in considerable trouble at the moment. After all, while I am sure the Minister is predicting with 95% accuracy what exam results the children in their care will attain at key stage 1, key stage 2 and key stage 3. The report also recommended that the Government provide “high-quality childcare to low-income families.”

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This is not just about quantity, but about quality, as the right hon. Gentleman mentioned.

Our maintained nurseries are under attack, with the future of many of them in doubt in the next weeks and months. Labour Members know the immense importance
of early years intervention to improve the life chances of children in Britain. That is why the Labour Government opened over 3,000 Sure Start centres, and increased education spending in every year that we were in Government. This Government just need to follow that example.

There are a number of recommendations on schools in the report, and I will briefly address them. The right hon. Member for Loughborough said that education is the key driver of social mobility. She is a one nation Conservative. Disruel said the same on the steps of Manchester town hall in 1872, so, a century and a half later, I am looking for one nation in terms of social mobility.

First and foremost, the commission made it clear that the Department’s flagship vanity project to expand academic selection is wrong. It said:

“We recommend that the Government rethinks its plans for more grammar schools”.

I know the Minister has been told time and again to rethink these plans. He will come back to the Dispatch Box in a few minutes and say that children on free school meals in grammar schools have a better chance of getting to a Russell Group university, but it is a false statistic. The sample of children on free school meals in grammar schools is so small that it makes nonsense of the statistics. As my hon. Friend the Member for Mitcham and Morden pointed out, 2.6% of children in grammar schools are on free school meals, compared with 14% of children nationally.

We have heard a great deal about the White Paper that we expect to see in the coming weeks. We want the Minister to commit to basing it not on dogma, but on evidence, and we want him to abandon the discredited policy of selection. The Chancellor has made an announcement about a lot of money for grammar schools, but it seems that there is none for school budgets. My hon. Friend the Member for Ealing Central and Acton (Dr Huq) talked about the buckets used when it rains. I trained as a teacher in the late 1990s, and I remember going round with buckets. However, by the time Labour left office, schools had been rebuilt and roofs had been repaired, while the only thing going through the roofs were standards.

Cuts to school budgets will make it almost impossible to deliver on the many recommendations, so we need to think about the £3 billion that is currently going to be cut from school budgets across this country during the next few years. Let us not pursue the divisive policy of selection; let us fund education properly and come together on improving mobility. Government is about choice, so let us make the right choices.

4.48 pm

The Minister for School Standards (Mr Nick Gibb): If I may, I will take a moment to express my personal gratitude to all the brave men and women who work here every day to protect us, showing immense bravery—they run towards danger to keep us safe. Our thoughts are with those who were injured yesterday, and with the families of those who tragically lost their lives.

I congratulate my right hon. Friend the Member for Loughborough (Nicky Morgan), the right hon. Member for Sheffield, Hallam (Mr Clegg) and the hon. Member for Manchester Central (Lucy Powell) on securing this debate. I agree with all the speakers in this debate about the importance of improving social mobility in this country, which is why the Secretary of State has demanded that social mobility should sit at the very heart of everything the Department for Education does.

The Government have already done a huge amount in our determination to achieve that. The pupil premium ensures that schools are given additional funds to support disadvantaged pupils. We are delivering 30 hours of free childcare for three and four-year-old children of working parents. We have begun our pioneering work in 12 opportunity areas, where we will partner with local communities to drive social mobility. Teach First is now sending even more high-quality graduates to work in areas of high deprivation. We have introduced a £75 million teaching and leadership innovation fund to improve professional development for teachers in disadvantaged areas. Our school reforms have led to 1.8 million more children having a good or outstanding school place than in 2010, helping to ensure that they get the education they need and deserve. The number of children studying the combination of academic subjects that make up the English baccalaureate has risen from just over one fifth to nearly two fifths, ensuring that more pupils have access to the broad academic education that they need.

The Government are transforming technical education, with new T-levels adding prestige and raising quality for students.

I listened carefully to what the right hon. Member for Sheffield, Hallam said about early years. The Department’s ambition is to ensure that the circumstances of a child’s birth do not determine what they can achieve in life. We are delivering 30 hours of free childcare for three and four-year-old children of working parents. We have laid out our strategy to improve the quality of the early years workforce by improving access to high-quality professional development. We have introduced the two-year-old offer to allow disadvantaged two-year-olds to attend early years. I pay tribute to the right hon. Gentleman with regard to that policy.

Crucially, the introduction of systematic synthetic phonics and the accompanying phonics screening check have seen a dramatic rise in early literacy. This year, 147,000 more six-year-olds are on track to becoming fluent readers than in 2012. Phonics is our most potent weapon in our fight to close the intolerable gap in literacy between the most disadvantaged children and the more affluent.

The Government have been unapologetic in their unrelenting push to raise educational standards. Nearly nine in 10 schools are rated by Ofsted as good or outstanding, but there is still more to do. More than 1 million children still attend a school that is not yet rated good. The Government want every parent in the country to have the choice of a good school place for their child. That is why we will create more good school places, harnessing the resources and expertise of universities, faith schools and independent schools, and lifting the ban on selective school places.

We do not think it is fair that children have the opportunity to go to an academically selective school only if they live in a particular county in England, when 98% of grammar schools are good or outstanding. We know that selective schools are vehicles of social mobility—I accept that that is for those pupils who attend them—and almost eliminate the attainment gap between pupils.
from disadvantaged backgrounds and their peers. That is one argument, but there are many others. Pupils in grammar schools make significantly more progress than their similarly able peers, with Progress 8 showing an aggregate score of plus 0.33 for grammar schools, compared with a national average of 0. The House will also be aware that 78% of high-ability children who leave primary school with a level 5 in their SATs go on to achieve the full EBacc suite of GCSEs if they go to a grammar school, but only 53% achieve that if they go to a comprehensive. That is why we want to ensure that children from disadvantaged backgrounds and ordinary working families have the opportunity to benefit from selective schools. We also want to ensure, as we set out in the consultation document, that selective schools work with neighbouring primary and secondary schools to the benefit of all pupils.

As the Social Mobility Commission report sets out, there are “social mobility coldspots” across the country that are falling behind. Twelve of those areas have been designated as opportunity areas by the Secretary of State, building on the work of my right hon. Friend the Member for Loughborough. We will target interventions in those areas that are designed to improve opportunity and choice for pupils. Those opportunity areas will enable us to identify new approaches to tackling the root causes of educational disadvantage. We will build an evidence base of what works so that we can transfer those approaches to other areas to remove the barriers to social mobility.

As the Social Mobility Commission recognises, the single biggest educational factor that improves social mobility is the quality of teachers, so we intend to invest in the profession. We will invest a substantial proportion of the £70 million for the northern powerhouse schools strategy in piloting new approaches to attracting and retaining teachers in the north of England, and we will target the £75 million teaching and leadership innovation fund at improving professional development for teachers where that can make the most difference.

Thanks to the academy and free schools programme, teachers and headteachers have enjoyed greater freedoms to tackle poor behaviour and raise expectations in the curriculum. Teachers have been instrumental in setting up some of the highest performing and most innovative free schools in areas of disadvantage.

Last month, I visited Reach Academy Feltham, run by Teach First ambassador Ed Vaizey. I was struck by his passion as he explained the lengths to which he and his school go to ensure that they attract as many pupils from disadvantaged backgrounds as possible. Reach Feltham’s determination to do everything it can to admit pupils from disadvantaged backgrounds is an example of a school with a mission to drive social mobility. That free school and other innovative schools show what it is possible to achieve.

Whether it is Reach Feltham, Michaela Community School, City Academy Hackney, King Solomon Academy, which my right hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) mentioned, where 39% of pupils are entered for the EBacc suite of GCSEs, they all understand the importance of knowledge and teach a stretching, knowledge-rich curriculum. Each of those schools has clear routines that are consistent in all classrooms. They understand the importance of a strong approach to behaviour management. They all serve disadvantaged communities, demonstrating that high academic and behaviour standards are not and must not be the preserve of wealthy pupils in independent schools or socially selective comprehensive schools.

Nicky Morgan: Is not my right hon. Friend demonstrating in the second half of his speech why the first part about reintroducing selection is a red herring? He has just given examples of several hugely impressive schools, with pupils from disadvantaged backgrounds who are achieving excellent results. Does he not agree that we want more such schools rather than accepting that schools cannot always achieve that and therefore taking pupils out to put them into selective education?

Mr Gibb: We want to leave no stone unturned. The purpose of the Green Paper that we published in September is to ensure that we harness all the expertise and talent in this country, whether in universities, independent schools, faith schools, outstanding comprehensive schools or selective schools to ensure that we have more good school places. There are still problems that we have to address.

According to the Sutton Trust, just 53% of high-ability children who are eligible for the pupil premium take triple science GCSEs, compared with 69% of non-free-school-meal children. Some 20% of high-ability free school meal children are at schools where triple science is not even offered. We are trying to tackle those issues, and we are leaving no stone unturned.

We are also addressing technical education. We are spending £500 million a year on improving technical education and we will deliver the recommendations of Lord Sainsbury’s review in full. Those new T-levels will replace 13,000 or so different qualifications.

As right hon. and hon. Members argued in their article, our country and economy are changing fast. We must ensure that all pupils, irrespective of background, receive an education that gives them opportunity and choice in their adult life. We should all be able to agree that social mobility should be about not where a person starts, but where they end up.

A few weeks ago, I visited Michaela Community School in Wembley, a new free school committed to improving the education of those from the most disadvantaged backgrounds. Every day at lunch all the pupils recite in unison one or two of the poems that they have learnt by heart. When I was there, they recited William Henley’s “Invictus”, which reflects the determination and stoicism that is fostered at Michaela Community School:

“Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.

In the fell clutch of circumstance
I have not winc’d nor cried aloud.
Under the bludgeoning of chance
My head is bloody, but unbow’d.”

Question put and agreed to.
Resolved,

That this House notes the contents and recommendations of the annual State of the Nation report from the Social Mobility Commission; notes that despite welcome measures by successive governments to improve social mobility the Commission warns that social mobility is getting worse, the reasons for which are deep-seated and multi-faceted; and calls on the Government to lead a renewed approach in the early years, in education, skills and housing, to improve social mobility.

Business without Debate

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 28 March, the backbench business set down for consideration may be entered upon at any hour, may be proceeded with, though opposed, for ninety minutes, and shall then lapse if not previously disposed of.—(Michael Ellis.)

Ratty’s Lane Incinerator

Motion made, and Question proposed, That this House do now adjourn.—(Andrew Griffiths.)

5 pm

Mr Charles Walker (Broxbourne) (Con): May I associate myself with the Prime Minister’s statement this morning on yesterday’s distressing events? She spoke for the nation and for my constituents.

May I say how disappointed I am to have to bring this matter to the attention of the House and the Minister this afternoon? In the main, Members of Parliament should keep out of the way of planning applications. However, the conduct of Veolia in making an application for an incinerator in my constituency, at Rye House and Fieldes Lock, a site running off Ratty’s Lane, is so egregious that it is worthy of being aired in the Chamber.

I thank County Councillor Tim Hutchings for all his support in helping me to prepare for this afternoon’s Adjournment debate. He is a diligent representative and has worked tirelessly to inform me of his community’s concerns, as have the Hoddesdon Society and, Madam Deputy Speaker, many of your constituents—this application has an impact on your constituency as well.

The concerns centre on an application by Veolia to build a 350,000 tonne incinerator at Rye House, Fieldes Lock in the north of my constituency. Veolia had argued as recently as July 2015 that the site was wholly unsuitable for such a facility, a view shared by Hertfordshire County Council, which is the relevant planning authority and the owner of the waste contract, and, more importantly, by the planning inspector and ultimately the Secretary of State.

By way of background, in July 2015, after a long and protracted period of review, the then Secretary of State for Communities and Local Government threw out a planning application by Veolia for a waste incinerator at New Barnfield, a site in the Borough of Welwyn Hatfield in the neighbouring constituency. As part of that application, Veolia researched and then ruled out a number of alternative sites. One of those was Rye House, Fieldes Lock, the site of its current application.

In July 2013, Veolia, on page 35 of its alternative sites assessment report, said that the Rye House, Fieldes Lock site

“is identified as a safeguarded strategic rail aggregate depot, is located adjacent to the River Lea within an area subject to flood risk and is proximate to a RAMSAR designation. The site is also very compact and has local highway capacity access constraints that required the need for the rail linked solution. Such constraints do not facilitate the development of an RERF at this site, where the local rail network presents operational and logistical difficulties to serve Hertfordshire and where the strategy of the Hertfordshire Waste Collection Authorities and Hertfordshire Residual Waste Treatment contract are essentially based on road borne delivery.”

The findings of Veolia’s 2013 ASA were repeated virtually word for word by the company’s agent, Steven Kosky, on page 96 of his proof of evidence report, which was presented to the planning inspector as part of the New Barnfield inquiry. In responding to that evidence, Mr David Richards, the planning inspector, said on page 27 of his report to the Secretary of State:

“The fact is that no suitable alternative site has been put forward in the evidence by any of the parties to the inquiry.
Veolia and HCC have given evidence in writing some 6 weeks before the inquiry began (and in rebuttal evidence a week before the inquiry) and in oral evidence that there is no alternative suitable site.”

The inspector went on to say:

“Fieldes Lock is dealt with in the ASA and by Mr Leech. It is not in an Area of Search in the WCS and is in the south-east of the county not well located to waste arising and collections. It was promoted by Veolia for a SRF power station with additional natural gas fired generation to serve North London and with the SRF to arrive by rail. It needed the rail feed because it is a compact site which could not accommodate the road based collections needs of this county and so could not accommodate the kind of EfW plant proposed, let alone the front-end recycling facility too.”

The findings of the planning inspector were endorsed by the Secretary of State who, in his letter of 16 July 2015, said:

“the Secretary of State agrees that there is no obvious alternative site that would perform significantly better in environmental terms and that is suitable for the use proposed and available for a development of the scale proposed at New Barnfield... For the reasons given, the Secretary of State also agrees with the Inspector that there is no available sites within the Employment Land Areas of Search which would be of sufficient size to accommodate the proposed development.”

Well there you have it, Madam Deputy Speaker: a seeming slam dunk against New Barnfield and, in connection, the Rye House, Fieldes Lock site. The Secretary of State, his planning inspector, Hertfordshire County Council and Veolia are all in agreement that the Rye House, Fieldes Lock site is not a suitable alternative for the incinerator.

Like the undead, however, this zombie application is now rising from the grave, badly decayed but somehow still living. Having invested significant sums of its corporate treasure to trash the Rye House, Fieldes Lock site, Veolia is now promoting it as the ideal alternative location for its incinerator. Veolia’s previous statements, such as that the site

“is located adjacent to the River Lea within an area subject to flood risk and is proximate to a RAMSAR designation”, or

“the site is also very compact and has local highway and access constraints” or

“Such constraints do not facilitate the development of an RERF at this site”

have, on page 22 of Veolia’s 2016 ASA, incredulously been replaced with the following statement:

“Generally, the site has few operational, planning and environmental constraints, although it is noted that the presence of power lines across part of the site constrain the developable area.”

That is a simply stunning volte face on behalf of Veolia: no mention of the site being poorly located for waste arisings, and no mention that the site was previously deemed too compact by the planning inspector or was ill-suited to road-borne deliveries. In essence, it is a complete reimagining by Veolia of its previous position: a new and alternative reality completely at odds with both Veolia’s previous position and the stated position of the planning inspector and the Secretary of State.

Quite frankly, on this evidence Veolia could argue with a straight face that the moon is actually the sun and the sun is in reality Mars. Just last week, when interviewed by Broxbourne’s local newspaper, the Hertfordshire Mercury, Richard Kirkman, a director of Veolia, said:

“I think people always worry about transport. We have looked at the impact on the local highways and what has been demonstrated is that even now traffic can be supported”.

But in making this statement, Mr Kirkman must have known that it entirely contradicted Veolia’s position, as stated in its 2013 ASA that

“The site is also very compact and has local highway and access constraints.”

So I say to Mr Kirkman, on behalf of my constituents, “Why are you taking us for fools? Your statement is false. It is false not just because it falls foul of your own ASA statement, but because in 2012, when Veolia was trying to promote the Rye House, Fieldes Lock site for a rail-fed incinerator to burn London’s waste, Hertfordshire County Council Highways objected to just 46 of Veolia’s proposed HGV movements, as opposed to the 212 the company is now asking for.” So, Mr Kirkman, if five years ago our roads could not cope with 46 HGV movements a day, how can they cope with 212 a day now?

Veolia’s creation of alternative facts is matched by its wholly cynical public information campaign. In a letter, dated 9 March, that it sent to thousands of homes in the Rye Park and Hoddesdon area, the company stated:

“This application is for a smaller facility than previously proposed at New Barnfield”: Well, if not directly dishonest, that is a wholly distorted statement designed to mislead my constituents. The New Barnfield application was for a 380,000-tonne incinerator. The application for Rye House, Fieldes Lock is for an incinerator with a capacity of 350,000 tonnes. That is a fractional difference of about 9%. However, Veolia’s conduct in this claim is, once again, most effectively damned by its own Steven Kosky, who, when concerned residents were arguing in favour of smaller sites than the one being proposed, wrote on page 10 of the company’s 2013 supplementary proof of evidence to the planning inspector:

“In addition two facilities, of say 200,000 tonnes throughput capacity, each would not be materially smaller in terms of height and land take than the single facility proposed... In summary, to make a materially smaller ERF facility, the annual throughput would need to fall considerably below 100,000 tonnes”.

That is a breathtaking rebuttal of Veolia’s claims, by Veolia. You really could not make it up, unless you could find it in writing.

Just as concerning as Veolia’s cynicism on the issue of size is this claim in its 9 March letter: “Already £6.5 million has been allocated through the Local Enterprise Partnership to improve the local road network.”

That statement is concerning. For more than 20 years Broxbourne borough council has been seeking funds to pay for that upgrade without success; then, miraculously, after more than two fruitless decades, a £6.5 million investment arrives at a time that is most advantageous to both Veolia and Hertfordshire County Council—which, I remind the Minister, in relation to this application is both the relevant planning authority and the owner of the contract. In making that investment, the LEP announced that it would create “up to 400 new jobs”.

[Mr Charles Walker]
That figure is not dissimilar to the one being trumpeted by Veolia in its press release, but let us be clear: of those jobs, 300 will end when the construction phase is completed, with the proposed incinerator employing no more than 40 whole-time equivalents.

Why are my constituents concerned about Veolia's laying claim to having motivated that £6.5 million investment? They are concerned because Hertfordshire County Council has senior representatives sitting on the LEP board and a direct interest in securing those funds: not primarily, I suspect, for the benefit of my constituents, but to ease the progress of Veolia’s—its business partner’s—planning application.

My constituents are concerned that our county council is even entertaining the application for the Rye House, Fieldes Lock site, given that on 24 June 2014, in a special report addressed directly to Hertfordshire County Council, Andrew Freeman, the planning inspector, stated unequivocally:

“In addition to flooding and groundwater issues, there is a safeguarded rail aggregate depot within the Rye House site. Waste developments not served by rail could have a significant impact on the local highway network. The viability of a smaller (road served) facility could be questionable given the cost of likely necessary mitigation measures. Allocation of the sites would not be appropriate”

Despite that statement by the planning inspector, and despite its being ruled out by the Secretary of State, the council still seems to want to promote the site along with Veolia.

Why is the £6.5 million important to Veolia? It is important because, as I said a few moments ago, in 2012, when Veolia was promoting the Rye House, Fieldes Lock site for a mostly rail-fed incinerator, Hertfordshire County Council lodged a highways objection against just 46 HGV movements a day. In making its objection, the council stated, in October 2012:

“Should the facility be unable to import 90% of the SRF material by rail, then it is considered that the resultant impacts on the local highway network would be unacceptable in highway terms because...additional road movement would have a significant impact on the highway network”.

The 46 HGV movements to which Hertfordshire County Council objected in 2012 pale into insignificance compared with the 212 for which Veolia is now asking. So, bluntly, without the LEP stumping up the cash, this current planning application to burn Hertfordshire’s waste would be even more dead in the water than it is now. Let us be honest—if this application was a fish, it would be floating around, belly up and bloated. Even with the LEP money, the application is on its last gasp before the point of expiration. I believe that it is possible that coincidence can be the bedfellow of happy circumstance and that therefore not everything is a conspiracy, but given the highly contested nature of this incinerator, it is now incumbent on Hertfordshire County Council, the Hertfordshire local enterprise partnership and Veolia to demonstrate beyond contention that public money has not been used to promote and ease Veolia’s planning application.

In pursuit of establishing the facts, you will not be surprised to learn, Madam Deputy Speaker, that I wrote to all three parties on Monday 13 March asking that they place in the public domain any communications they had in relation to this £6.5 million of funding and its possible connection, either in whole or in part, to the incinerator. While I still await a substantive response from Veolia, I can say that the chief executive of Hertfordshire County Council has responded and categorically denied any suggestion that the local authority placed any pressure on the Hertfordshire LEP in relation to the £6.5 million of LEP funding in connection to Veolia’s application. I accept this assurance at face value, and I can say that the LEP has also written to me along similar lines.

However, I also asked the county council in my letter to release information in connection to any discussions it had had with Veolia regarding the road and bridge improvements. That question remains outstanding, but it needs to be answered. It needs to be answered because, in bringing forward its application, it is inconceivable to imagine that Veolia did not raise the Hertfordshire highways department’s 2012 objections to its previous Rye House, Fieldes Lock application for just 46 HGV movements a day. Following that objection, Veolia would surely have asked the council how that could be overcome, given that the company is now proposing 212 HGV movements for the same site in 2017. Until there is full disclosure, the nagging concern will remain that the allocation of public money for the road improvements was primarily motivated by an interest to improve the circumstances of Veolia, a private company that is in danger of being rewarded for its shoddy enterprise and shoddy conduct.

My constituents’ concerns about the relationship between the principal parties—Veolia, Hertfordshire County Council and the Hertfordshire local enterprise partnership—are legitimate. They are legitimate because this is meant to be an undetermined planning application. They are legitimate because, despite its having a foot in all camps, it is reasonable for my constituents to expect that Hertfordshire County Council’s planning regime is robust and independent. They are also legitimate because as recently as 2015, the interested parties now promoting the Rye House, Fieldes Lock site deemed it to be unusable, a position endorsed by the planning inspector and the Secretary of State.

The Minister will be aware that, for the reasons I have set out, I am of the view that this application cannot be safely determined by Hertfordshire County Council. That is the case because Hertfordshire County Council, as both the relevant planning authority and the owner of the waste contract, has a glaring conflict of interest in relation to this long-running application that has been going on in some form for more than six years. The county council has put itself in an impossible position from which it now needs to extricate itself. Let me be absolutely clear that although I am making this criticism of the county council, I believe that in all other areas it is an outstanding example of good, sound and principled local government. It is an authority for which I have immense respect, and I do not damn it for its sole error of judgment: entering into a contract with Veolia, a company whose conduct in this matter plumbs new depths of entitlement and corporate dishonesty. That dishonesty is exemplified in its dealings with the planning process, the inspectorate, Hoddesdon’s local newspaper and, most importantly, my constituents and yours, Madam Deputy Speaker.

I wholly accept that the Minister will not be able to respond to my concerns this evening. However, I want to conclude with these facts. The applicant, Veolia, the contract
holder, Hertfordshire County Council, the planning inspector, Mr Robinson, and the Secretary of State have all previously agreed that Rye House, Fieldes Lock is unusable as a site for an incinerator. None of the facts that underpinned the decision has changed. The site is still compact, it is still at the far edge of the county, it is still on a flood plain, it still has highway and capacity constraints, and it is still next to a Ramsar site. These are the facts as they are, not as Veolia would reimagine them to be.

5.20 pm

The Minister for Housing and Planning (Gavin Barwell): I congratulate my hon. Friend the Member for Broxbourne (Mr Walker) on securing this debate on the proposal to develop an energy recovery facility at Ratty’s Lane in Hoddesdon, Hertfordshire. I know that the issue is of great importance to him, as he demonstrated by the eloquence of his speech. It is also an issue of great concern for many of his constituents, and he does them a good service by raising it in the House tonight. I know that this is also a matter of concern for many of your constituents, Madam Deputy Speaker.

As my hon. Friend said, a planning application was submitted by the developer, Veolia, on 22 December last year for an energy recovery facility located in the Lea valley in Hertfordshire that would deal with 320,000 tonnes of municipal, general, commercial and industrial waste produced each year in Hertfordshire. It would be expected to generate 23.5 MW of electricity per year.

Mr Walker: The capacity would be 350,000 tonnes. That figure is taken from Veolia’s own press release.

Gavin Barwell: I have experience of dealing with these issues, because a similar facility is being developed in Sutton, near my constituency. I believe that 320,000 tonnes is the projected annual usage, but that there is a maximum capacity of 350,000 tonnes, as my hon. Friend says.

I should say at the outset that, as my hon. Friend kindly pointed out at the end of his speech, proprietary considerations prevent me from commenting on the detail of the specific planning issues that he has raised, for two reasons. First, this is a live planning application that is currently being processed by Hertfordshire County Council. I understand that the application is subject to a public consultation that closes at the end of this month. There is obviously a possibility, were the application to be refused, that an appeal could be made to the Secretary of State, so it is important that I should not say anything that might prejudice the Secretary of State’s position in determining any such appeal. Secondly, my hon. Friend has asked the Secretary of State to call in the application, and it is equally important that I should not say anything that could prejudice that call-in request.

I will therefore focus on how the planning system operates in contributing to the robust regulatory framework that we have in place to plan for the sustainable management of the waste that we produce. The national planning policy for waste was published in October 2014 and provides part of the wider regulatory framework in which the application to develop an energy recovery facility in my hon. Friend’s constituency will have to be considered by the council.

The Government are committed to a zero-waste economy. By that, we do not mean somewhere in which no waste exists. We mean a society in which resources are fully valued, financially and environmentally, in which one person’s waste is another’s resource, and in which nothing is actually wasted, so that, over time, we get as close as we can to zero landfill. The planning system plays a vital role in delivering that ambition, and it is pivotal to the adequate and timely provision of the new waste facilities that are needed to move the management of waste up the waste hierarchy so that we do not continue to bury large amounts of our waste in the ground as previous generations have done.

Waste facilities are an essential part of the infrastructure necessary to make our towns and cities function properly in the 21st century, and they often provide an important service beyond their immediate neighbourhood. The key to getting this right is the preparation of waste plans. There are sound financial and environmental benefits in having up-to-date plans. They provide certainty to attract investment in new facilities, and they guide and deliver waste infrastructure that will help us to divert waste from landfill and to reduce greenhouse gases. To that extent, and without commenting on the merits of the plan for the reasons to which my hon. Friend alluded, I am pleased that Hertfordshire County Council has in place an up-to-date waste core strategy, which was adopted back in 2012 and covers the period to 2026.

I appreciate that many people may have concerns about the type of technology under discussion: an energy recovery facility that would generate electricity by incinerating waste. The planning system is technology-neutral. It is not for planners to describe a specific type of energy-from-waste technology required for a particular site; it is for the planning system to decide whether it is appropriate to site such a facility in a particular location. That is my hon. Friend’s argument. Energy-from-waste facilities—they include incinerators, but also embrace other technologies such as anaerobic digestion or gasification—make a valuable contribution to achieving waste objectives, but we recognise that recycling waste is better than energy recovery. The evidence for that is the national target to increase the recycling of municipal waste to 50% by 2020. In the majority of cases, however, maximising the energy recovered from non-recyclable residual waste is better than sending it straight to landfill.

The choice of technology must reflect local circumstances, which clearly will vary from place to place. However, it is important that plans for the technology emerge out of local waste strategies, which seek to drive waste up the waste hierarchy. Whichever type of technology is chosen, national planning policy requires that waste planning authorities—Hertfordshire County Council in this case—assess the suitability of locations against a range of criteria when they are preparing a plan or deciding an individual application. It might help my hon. Friend if I set out those criteria, which should include: the physical and environmental constraints on development; existing and proposed neighbouring land uses; the capacity of existing and potential transport infrastructure to support the sustainable movement of waste, which my hon. Friend touched on in his speech; the cumulative impact of existing and proposed waste disposal facilities on the wellbeing of the local community; and any significant adverse impacts on environmental quality, social cohesion or economic potential.
Waste processing facilities are unpopular neighbours, and it is understandable that local residents will be concerned about the possible adverse impact of such a facility on their local environment. As my hon. Friend is no doubt aware, those matters must be considered by the county council when reaching a decision on the application. Should planning permission be granted, we must not forget that such facilities will not be able to operate until the operator has also obtained an environmental permit from the Environment Agency. Once such facilities become operational, I assure the House that the Environment Agency governs their operation strictly, ensuring that ambient air and water quality meet standards that safeguard against negative impacts to the local environment and human health. In addition, planning authorities such as Hertfordshire County Council can ensure that waste is handled in a manner that protects the environment and human health through the application of appropriate planning conditions, adequate enforcement, and monitoring of the operation of facilities once they are up and running.

I am very much alive to the concerns that my hon. Friend and other Members have raised about this planning application. In this particular case, the council should process the application and, when reaching a decision, should thoroughly examine the concerns raised by my hon. Friend and his constituents, and by you, Madam Deputy Speaker, and your constituents. I encourage anyone with an interest in this application to let Hertfordshire County Council know their views by 31 March. I assure the House that the Government are not complacent.

We welcome the contribution that my hon. Friend has made during the debate. We will continue to maintain both the right national planning policy and a robust regulatory framework to secure the sustainable management of waste across the country.

Finally, it falls to me to end our proceedings today. As other hon. Members have done during the course of the day, I want to put it on record that it does this House, our society and our country great credit that, in the light of yesterday’s tragic events, business in this House has gone exactly as planned. We have got on with the job that we were elected to do, and we will not be deterred from doing it by those who have committed such heinous crimes.

Madam Deputy Speaker (Mrs Eleanor Laing): I am sure that the whole House would agree with what the Minister has just said in concluding today’s proceedings, which have gone, as he said, exactly to plan. Our democratic system is working perfectly.

Question put and agreed to.

5.29 pm

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

Amendment 3, page 1, line 5, leave out from “insert” to end of subsection and insert “including any politician or journalist”. This amendment extends access to politicians as well as journalists so that they can access the information needed to fulfil their scrutiny function.

Amendment 4, page 1, line 5, leave out from “insert” to end of subsection and insert “including non-domestic ratepayer”. This amendment extends access to non-domestic ratepayers and clarifies the existing law.

Amendment 5, page 1, line 5, after “any” insert “accredited”.

Amendment 6, page 1, line 5, after “any” insert “professional”.

Amendment 7, page 1, line 5, after “any” insert “qualified”.

Amendments 5, 6 and 7 would ensure that bloggers and citizen journalists would not have greater access than other members of the public.

Amendment 8, page 1, line 6, leave out subsection (3). This amendment would remove the definition of journalist.

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

“(1B) In subsection (1A) publication of journalistic material means the proposed inclusion in a newspaper or magazine whether paid for or distributed without payment and includes any article proposed to be published on any website on the internet whether it can be accessed without payment or upon payment of a subscription.”

The purpose of this amendment is to make clear that the section covers all journalists who may wish to publish their articles in a newspaper or magazine or on the internet, irrespective of whether there are any charges for either.

Amendment 9, page 1, line 8, at end insert—

“( ) The relevant authority must ensure that any person interested in making an inspection within subsection (1) may do so at all reasonable times and without payment”.

This amendment would extend to section 26 of the Local Audit and Accountability Act 2014 the same conditions as is set out in section 25 (3) of the Act.

Amendment 10, page 1, line 8, at end insert—

“( ) In subsection (1) after ‘Act’ in line 1 leave out ‘other than an audit of accounts of a health service body’”.

This amendment would extend to section 26 of the Local Audit and Accountability Act 2014 the same conditions as is set out in section 25 (3) of the Act.

Amendment 11, page 1, line 8, at end insert—

“( ) In subsection (1) after “At” in line 1 insert “and after”.

This amendment would extend to section 26 of the Local Audit and Accountability Act 2014 the same conditions as is set out in section 25 (3) of the Act.

Amendment 12, page 1, line 8, at end insert—

“( ) In subsection (4)(a) leave out “inspect or”.

This amendment would extend the period in which inspections can be carried out beyond 30 days.

Amendment 13, page 1, line 8, at end insert—

“( ) Subsection 4 (a) after ‘grounds of’ insert ‘current’”.

This amendment would extend the period in which inspections can be carried out beyond 30 days.

Amendment 14, page 1, line 8, at end insert—

“( ) Subsection (5) is hereby repealed.”

This amendment would extend the period in which inspections can be carried out beyond 30 days.

Mr Chope: In moving amendment 2, we are mindful that this is a week in which there has been an attack on our parliamentary democracy, and we mourn Keith Palmer and the others who were the victims of that terrorist. This Bill and these amendments deal not with parliamentary democracy, but with local democracy, and their purpose is to strengthen further our local democracy in the United Kingdom.

I will also speak to amendments 3 and 4, which extend the range of individuals who are able to benefit from the powers under section 26 of the Local Audit and Accountability Act 2014—my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) is seeking to achieve that in her Bill. I shall also speak to amendments 5, 6 and 7, which look in detail at what we mean by the expression “journalist” in clause 1. My hon. Friend
the Member for Bury North (Mr Nuttall) has an amendment dealing with the definition of journalistic material, which I shall leave him to address.

Amendment 9 deals with the arrangements for exercising the right to inspect, and amendment 11 would extend the period within which such rights can be exercised beyond 30 days. Amendment 12 would enable documents, which are claimed to be commercially confidential, to be inspected but not copied. Amendment 13 would extend the right to inspect past contracts, and amendment 14 would leave the definition of commercial confidentiality unaltered in common law. Finally, amendment 10, which is arguably the most radical of these amendments, would extend the right of inspection beyond local government to the audit of accounts of any health service body as defined in the 2014 Act.

It will be obvious from that brief summary that all the amendments are faithful to the long title of the Bill, which is to extend public access to certain local audit documents under section 26 of the Local Audit and Accountability Act 2014.

My amendments are also inspired by recent experiences of how secrecy in local government is undermining the ability of members of the public properly to scrutinise what is happening and to hold councils to account. They also seek to address some of the issues raised on Second Reading on 25 November.

Mr David Nuttall (Bury North) (Con): My hon. Friend touches on the Second Reading debate, which is something that I hope to address in my remarks later today. Does he share my concern that the matters that were raised on Second Reading were not addressed when this Bill was in Committee?

Mr Chope: My hon. Friend is on to a good point. On Second Reading, quite a lot of references were made to the fact that we would discuss matters in Committee. I know that my hon. Friend the Member for North Dorset (Simon Hoare) said that if he was put on the Committee, he would like to raise this and that as an amendment, but he was never put on the Committee. If the records are correct, the Committee stage lasted for all of 21 minutes. I do not think that there could have been proper scrutiny of the Bill. None the less, there were some interesting remarks made in Committee, some of which I shall refer to shortly.

Wendy Morton (Aldridge-Brownhills) (Con): I just wish to make it clear that we had a debate in Committee. No Member was precluded from tabling an amendment, and we had a good turnout on the day. I will be responding to the hon. Gentleman’s points in more detail when I have the chance to speak.

Mr Chope: I am told by my hon. Friend the Member for Bury North from a sedentary position that the Committee lasted only 11 minutes. I am sure that he will be able to explain further in due course.

Currently, a person who is registered as an elector in a local authority area has the right to inspect and have copies of a wider range of accounts and related documentation under section 25 of the 2014 Act and therefore has no additional benefits under section 26.

Amendment 2 addresses the issue of electors in other local authority areas, who have no such rights unless they can show that they are “persons interested” under section 26. At no time, in my submission, has it been more important for electors in other local authority areas to be able to see what is going on elsewhere. Following the abolition of the Audit Commission, which provided easily accessible local authority data, it has become more difficult to make comparisons, despite the importance of comparative data for accountability and policy making.

Sir Edward Leigh (Gainsborough) (Con): I chair the Public Accounts Commission, and we have been looking at the accountability of local government. My hon. Friend makes a good point: the National Audit Office, which audits all central Government Departments—a massive task—is now effectively the auditor of local government. Although I favour the reform, my hon. Friend is right to raise the fact that there is undoubtedly much less detailed inspection of local government audit and finance as a result.

Mr Chope: My hon. Friend speaks with great knowledge and experience on this matter. The amendment is, in a sense, supported by my hon. Friend the Member for Calder Valley (Craig Whittaker). On Second Reading, he intervened on the Minister to ask,

“might not the Government—in the interests of honesty, openness and accountability—consider...opening things up completely, well beyond the intention of the Bill, so that anybody can access this information?”

The Minister, my hon. Friend the Member for Nuneaton (Mr Jones), said,

“I shall come on to that point a little later and explain why the balance is right.”—[Official Report, 25 November 2016; Vol. 617, c. 1211.]

Unfortunately, apart from asserting that the measures in the Bill were proportionate, the Minister never got on to that important point. I hope that the Under-Secretary of State for Communities and Local Government, the hon. Member for Brigg and Goole (Andrew Percy), will be able to address that shortcoming.

I was somewhat perplexed by a comment made by my hon. Friend the Member for Brigg and Goole, who was the Minister in Committee on 7 February:

“I am reminded of Margaret Thatcher, who in her maiden speech introduced the Public Bodies (Admission to Meetings) Act 1960, which was in a similar vein: it was about opening up local government to journalists and other interested parties.”—[Official Report, Local Audit (Public Access to Documents) Public Bill Committee, 7 February 2017; c. A]

With the greatest respect to my hon. Friend, I think that the core of Margaret Thatcher’s Bill was ensuring that the public had access, which is what I seek to achieve with this amendment. We need more open, public access, just as the late Baroness Thatcher wanted the public to have access to local authority meetings. Her references to journalists in the 1960 Act were mostly about ensuring that accredited representatives of newspapers who attended such council meetings were provided with reasonable facilities for taking their report. I do not think it is fair to pray in aid our distinguished former Prime Minister as a supporter of the Bill, but not amendment 2. I suspect that the noble Baroness would have been a strong supporter of the amendment.
The amendment is highly relevant in the current climate, in which many councils seek to reorganise themselves into new structures—you know that as well as anybody does, Mr Speaker. At district council level, Buckinghamshire, Dorset, Lincolnshire, Oxfordshire and Kent are all toying with that idea, and I have no doubt that many others will do so. At present, it is difficult for a local taxpayer to get hard access to information about what is happening in another council, despite the fact that that local council may aspire to take over the assets and income of the council in which the taxpayer is resident.

I will illustrate that point with an example from Bournemouth. In speaking of Bournemouth, may I say how proud those of us who live near Bournemouth are of the way in which my hon. Friend the Member for Bournemouth East (Mr Ellwood) conducted himself on Wednesday? That was an example of public service at its best, and I fear that what I am about to say compares very unfavourably with his conduct.

9.45 am

On 9 February, Bournemouth and Poole councils made a submission to the Secretary of State to incorporate Christchurch Borough Council in a new unitary authority comprising Bournemouth, Poole and Christchurch. Although Christchurch is financially sound, the Bournemouth case is based on the need for greater efficiency and effectiveness, which the council says cannot be achieved in any other way.

However, Bournemouth has a local reputation for being profligate, spendthrift and secretive. A topical example is the decision, announced earlier this week, to make the council’s chief executive redundant, which came completely out of the blue. The chief executive is to be made redundant and given a £394,000 pay-off, which comprises £83,000 as six months’ pay, because apparently the council does not want him to work any longer; £63,000 in statutory redundancy pay, although no reason has been given why the post is no longer required; and £246,000 on account of early release of pension funds. I have no criticism of the chief executive, because I think he is on to a good thing. I am sure that if I were made a similar offer, I would be sorely tempted by it.

Bournemouth’s proposal is currently before the Secretary of State, and it has been signed by the leaders of Bournemouth and five other Dorset councils. It envisages Christchurch taxpayers having to subsidise Bournemouth residents for up to 20 years by paying higher council tax than do Bournemouth and Poole residents. Effectively, they will have to meet the bill for the redundancy of Bournemouth’s chief executive. Extraordinarily, the council did not meet to discuss whether it wanted to make the chief executive redundant. Not even the council’s cabinet met to discuss the matter. No justification has been given for the substantial pay-off, although I understand that there is to be a meeting of the council later next week, in which it will try to approve the decision retrospectively.

Fortunately, in our locality we have an excellent newspaper, the Daily Echo, which heard about the situation and told the world. It ran all sorts of headlines about the £390,000 payoff. As I indicated earlier, £390,000 is a slight underestimate, but the headlines get the message across. The paper discloses in, I think, today’s edition that the council is going to discuss the matter, following the revelations in the newspaper earlier this week.

We are still left with the question of why the situation arose, and local accountability is crucial if we are to get to the bottom of that. It seems as though the chief executive has fallen out of favour with the leader of Bournemouth Borough Council because the chief executive questioned the council leader’s conflicts of interest with his businesses. The council leader runs an organisation called Hospitality Solutions. This morning, I interrogated its website, which sets out all the things that the business does. In particular, it gives advice on town planning consultation for new build hotel and leisure development, planning support to maximise site potential, planning applications and reports, project planning and management, and building and refurbishment management. The website states that to arrange “an initial discussion without any obligation” on any of these issues, the person to contact is none other than John Beesley FIH, who is the leader of the council. On 23 January, the Bournemouth planning board gave approval for a £40 million hotel and apartment redevelopment on the site of the former Belvedere hotel to build a 131-room hotel with leisure facilities, a sky bar, 66 residential flats, a basement car park and so on. I understand that the developers of the site sought and obtained the advice of none other than the leader of the council when developing their ideas. The leader of the council—not wearing his hat as leader of the council, but wearing his hat as a planning consultant—gave them advice and encouraged them to make their pitch to the planning department, which knew of his involvement as a consultant, but was not, of course, influenced by the fact he was leader of the council.

What I suspect happened is that that, as well as various other things that have been going on, caused the chief executive to raise his eyebrow, that he was about to start an investigation into the leader of the council’s conduct and conflicts of interest, and that the leader of the council has in effect used public money to ensure that the chief executive’s best interests are served by taking the money and not inquiring any further into those issues.

That is a current example of what is happening across the country in local government. I do not know whether you read “Rotten Boroughs” in Private Eye, Mr Speaker, but there is so much information in it now that it almost needs to be a separate supplement. So much material is coming out but so little of it can get into the public domain, partly because of the pressure put on local newspapers. If they cause trouble with their local council, they may suffer discrimination because there will not be any advertising for local council jobs and they will not get access to information.

Mr Speaker: Order. The reference by the hon. Gentleman to the “Rotten Boroughs” column is, of itself, orderly, but it might help and inform the debate if that reference could be related more specifically to the terms of the important amendment to which he is speaking.

Mr Chope: I absolutely take that point, Mr Speaker.
Sir Edward Leigh: I want to speak directly to my hon. Friend’s amendment in terms of understanding what other local authorities are doing. I see the Minister sitting in his place. We have had hugely controversial arguments in Lincolnshire about whether to have a mayor, and I and others managed to defeat that. There is now a proposal—it is only a rumour—that North Lincolnshire Council may want to take over or merge with West Lindsey, which I represent. As an elector of West Lindsey, I have absolutely no way of knowing what is going on in Lincolnshire. I think that if that is being discussed in private, electors in West Lindsey, who have a crucial interest in that, should have a right to know what is going on.

Mr Chope: My hon. Friend makes a good point, and it is in essence what I have been saying about the position in Bournemouth. If Bournemouth is to take over or merge with Christchurch in a unitary authority, the people in Christchurch need to know the nature of Bournemouth Borough Council’s debts and liabilities and how it conducts its proceedings, particularly in planning. One of the key losses in such a merger would be the loss of Christchurch Borough Council’s control over its own greenbelt and planning policy. That is one of the biggest concerns that my local residents have. They fear that they will lose control over the quality of their local environment, which they currently control through local planning policy.

The amendment seeks to ensure that anybody can get access to such information, rather than just limiting it to journalists. Obviously, the information to which I referred earlier will become available only when the audit for this financial year is conducted, and that may be rather later in the day than most people would wish.

Philip Davies (Shipley) (Con): As my hon. Friend knows, many local papers are stretched financially and therefore deterred from publishing things—perhaps including things about the leader of Bournemouth council—because they fear being sued and do not have the resources to defend themselves. Does he agree that that is why it is so important that not just journalists but the public have access to such material, so that they can make up their own minds and are not dependent on newspapers being able to afford to risk publishing things that may cause them to end up in court?

Mr Chope: My hon. Friend is absolutely right. We in this place are trying to do the job of holding councils to account. I tabled a parliamentary question earlier this year to find out the level of non-domestic rate arrears in Bournemouth. I eventually got the answer that there were between £10 million and £12 million of uncollected non-domestic rates. To the council’s credit, within weeks it had issued summonses against all those who owed arrears—I like to think I had some influence on that. We are talking about £10 million to £12 million of non-domestic rate arrears, at a time when we are saying that it is absolutely essential to save 1% of turnover by abolishing existing sovereign councils. It is farcical.

Trying to get councils to address these issues themselves is often very difficult. The idea of setting up scrutiny committees, which was part of the Localism Act 2011, has not really worked because those committees are often occupied by people who do not really understand, or are not interested in, genuinely holding the council to account. There is also the problem that scrutiny committees are not entitled to look into planning issues, which are often among the most controversial local issues.

There are lots of other things I could say about neighbouring councils, but I will not trouble the House with all that now. My hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) is here, and he may wish to add to that catalogue in due course if he contributes to the debate. The essence of the amendment is that everybody should be able to access such information. It should not be limited to journalists and other interested parties.

The idea is very much supported by my hon. Friend the Member for Calder Valley, who wanted to extend those rights to everybody. I anticipate the probable response of the Bill’s sponsor, my hon. Friend the Member for Aldridge-Brownhills, to this point. On Second Reading, she resisted arguments to extend the rights by saying:

“If the rights were extended to anyone and everyone, there would be great potential to make mischief through multiple requests to inspect or copy documents, without the accompanying ability to make a meaningful contribution towards raising awareness or improving the accountability of the body concerned.”—[Official Report, 25 November 2016; Vol. 617, c. 1199.]

I implore my hon. Friend to reflect on what she said, because it is a sweeping generalisation and no evidence was adduced in support of it. Where is the evidence that the freedom to look at documents would be abused? Indeed, if it is abused, there are already safeguards to deal with vexatious behaviour. That, in summary, is the case for amendment 2.

Mr Nuttall: The whole Bill arises from the problem of defining terms. Has my hon. Friend given any thought to exactly what constitutes a “politician”? For example, does it include someone who is a candidate in an election, or only an elected politician?

Mr Chope: My hon. Friend has tried, probably very successfully, to torpedo my amendment. I accept the implied, or even indeed the express, criticism that he has articulated. However, I would fall back on the general common-law interpretation of “politician”, which is probably the best way of dealing with that, without specifically having to define it in the amendment.

Amendment 4 would clarify the law by making it clear that “persons interested” also includes non-domestic ratepayers. I raise that issue because it was the focus of the court case of R. (on the application of HTV Ltd)
to a strict code of ethics so as to maintain and preserve public trust, confidence and reliability.”

I am sure my hon. Friend. Friend the Member for Gainsborough (Sir Edward Leigh) thinks it important that journalists should adhere to a strict code of ethics—

“To ensure this the process of ‘gate keeping’ is upheld within mainstream media. This relies on all experienced and trained journalists and editors to filter any nonfactual information from news reports before publication or broadcasting.”

I do not want to go into the whole issue of fake news, but it is probably now more important than ever for us to ensure that there is some basis for the reports put forward by journalists, and how can that be policed unless by a body such as the National Union of Journalists or the Society of Professional Journalists?

Mr Speaker: Order. Ordinarily, I feel that I can follow and, to an extent, anticipate the hon. Gentleman, such is the frequency with which I have heard his speeches over three decades, but on this occasion my senses have deserted me. I had thought that he was going to tell us how many members the society has.

Mr Chope: Mr Speaker, I was not actually going to go into that level of detail.

Philip Davies: Why not?

Mr Chope: Because I am seeking to make quite a lot of points. I am sure that, however many members the society has, it will have even more members if the Bill is amended as I propose.

Philip Davies: My hon. Friend is beginning to lose me. It seems to me that he made a good case earlier for his amendment 2, which would provide access for as many people as possible—I am absolutely with him on that—but he now appears to be arguing for restricting the number of people who have access to such things, which flies in the face of his earlier amendment. Will he clarify whether he really supports his earlier amendment, rather than what may be seen as these probing amendments?

Mr Chope: Yes, I absolutely support my amendment 2. I tabled these alternative amendments 5 to 7 because in the event that my earlier amendment is not accepted by the Bill’s promoter—

Philip Davies: That’s very defeatist.

Mr Chope: Yes, it is indeed defeatist, and it is uncharacteristic of me to be defeatist about such things. In a sense, this is a case of belt and braces: if we are going to give privileged access to a group of people—my hon. Friend the Member for Aldridge-Brownhills wants it to be journalists—they should be accredited, professional or qualified journalists, rather than people who simply call themselves journalists.

Philip Davies: I hope that my hon. Friend will not be defeated on amendment 2— I encourage him to strive for it and I think that he will garner a lot of support—but surely if his first amendment fails, the second-best option is for as many people as possible, within the terms of “journalist”, to have access to this information. Surely that is a better fall-back position than trying to restrict it even more?
Mr Chope: I understand my hon. Friend’s point, but why should we, to maximise the number of people who have access, distort the meaning of “journalist” by saying that any member of the public can describe themselves as a journalist and thereby come within the terms of the Bill, rather than make it clear that we want to include all members of the public? But if we are talking about journalists, we owe it to them to try to maintain a standard for professional and accredited journalists.

Mr Nuttall: Has my hon. Friend noted the title of clause 1: “Inspection of accounting records by journalists and citizen journalists”? I hope, when I come on to my amendment, he will see that I have gone in exactly the opposite direction: rather than try to narrow the definition of journalist, I am trying to widen it.

Mr Chope: That is probably why I have not sought to address my hon. Friend’s amendment. I am sorry that we cannot reach a consensus on this group of amendments, although there does seem to be a pretty strong consensus on the earlier amendments.

I draw the attention of the House to the fact that the NUJ has a code of conduct.

Alison Thewliss (Glasgow Central) (SNP): The hon. Gentleman makes an interesting point about professional qualifications and the accreditation of journalists and newspaper people. Does he agree that that would also apply to the editors of newspapers, including large publications that represent London?

Mr Chope: I would indeed—absolutely. Editors are included in the wider definition of “journalist”. The hon. Lady makes a good point.

The NUJ code of conduct sets out 12 principles by which its journalists are expected to abide. I will not tell the House about them all, but, for example, one is to avoid plagiarism. Another is to resist threats or any other inducements to influence, distort or suppress information and not to produce any material likely to lead to hatred or discrimination on the grounds of a person’s age, gender, race and so on. The most important of all is for journalists to do their utmost to correct harmful inaccuracies and to distinguish between fact and opinion—although that is not something we always find with journalists.

Mr Nuttall: Before my hon. Friend moves on, amendments 5, 6 and 7 have been tabled as alternatives—we cannot adopt all three. Will he let the House know which of the three alternatives he personally prefers?

Mr Chope: Of those three, I prefer amendment 5 on accreditation, because “accredited journalist” is a well-understood expression. As I said earlier, it is even referred to in statute, such as in the Public Bodies (Admission to Meetings) Act 1960.

Amendment 8 seeks to ensure that we do not define “journalist” in the Bill. The Office for National Statistics lists a series of roles defined as “journalist”. These form the single occupational group of journalists and newspaper and periodical editors—including the editor of the London Evening Standard.

Amendment 9 would ensure that any person making an inspection under section 26(1) of the 2014 Act could do so at all reasonable times and without payment. If section 26 is to achieve the Government’s purpose, we need to ensure that this provision is included, otherwise it would be too easy for the objectives of transparency and accountability to be frustrated. In Committee, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Briggs and Goole, said:

“In 2015-16, it would seem that local electors exercised their rights over a total of 11,000 bodies only around 65 times.”—[Official Report, Local Audit (Public Access to Documents) Public Bill Committee, 7 April 2017; c. 5.]

They did so under section 25, but it would be ridiculous to suggest that extending the same rights to section 26 applicants would be unduly burdensome and too expensive.

10.15 am

Amendment 11 would extend the period in which inspections can be carried out beyond the current 30-day limit. The Minister told us on Second Reading:

“The ability to inspect and make copies of the most recent accounting information from a local authority during a specific period could provide compelling and timely evidence of poor spending decisions in the last accounting period.”—[Official Report, 25 November 2016; Vol. 617, c. 1212.]

Hooray. Why then is the period within which this can be done limited to 30 days? As I said in the context of the available statistics on the take-up of those powers, the period seems to have little impact. But if, as the Minister hopes, there is an exponential increase in take-up following my amendments and this proposed legislation, would it not be desirable to spread the load over a longer period than 30 days, so there is not a great surge of activity over a specific 30-day period? I cannot understand why it should not be possible to access accounts beyond the 30-day period, once they are audited, produced and available, and that is the purpose of amendment 11.

Sir Edward Leigh: My hon. Friend speaks with authority and knowledge, so this intervention is a genuine request for information. We have the Freedom of Information Act 2000. I would like to hear from him—I suspect the House would like to hear it, too—how the ability of a member of the public to get information about local authorities relates to his or her freedom to get information about central Government.

Mr Chope: I do not hold myself up as an expert on the Freedom of Information Act, but local authorities are subject to it, just like any other public body. Freedom of information depends on being able to know what question to ask. Quite often, it is only when one looks at the accounts, or documents relating to the accounts, that we know what question to ask. Freedom of information powers can be more potent because they can be exercised at any time and the local authority is under an obligation to respond within, I think, 20 days or a reasonable period. They can be more potent, but the base information that enables people to understand what questions they really want to ask can probably be ascertained only by inspecting the documents.

Maggie Throup (Erewash) (Con): I am not an expert, but I would think that a freedom of information request is more costly to a council than what is proposed in the Bill. Perhaps a balance on cost-effectiveness needs to be taken into consideration, too.
Mr Chope: My hon. Friend may make a fair point. One problem is that some councils are really open and transparent. They receive very few freedom of information requests because they make information available. I will come on to an example where that has not been happening, and even councillors say, “Will I have to make a freedom of information request to get information from the chief executive of the council on which I serve?” That situation is intolerable. A lot depends on the culture of a council.

I was first elected to Wandsworth council in 1974—this is going back a long way—in the aftermath of a big corruption scandal. Immediately prior to 1974, the housing committee chairman of the Labour council had been sentenced to a term of imprisonment for receiving corrupt payments from someone called T. Dan Smith. After that, the culture in Wandsworth changed: everything was open. Tender documents were open, so everyone could see what was happening. It is a pity that that transparency is not the norm in so many councils throughout the country.

Amendment 12 would remove the restriction in section 26(4)(a) of the 2014 Act on the entitlement of a person “to inspect…any part of any record or document containing information which is protected on the grounds of commercial confidentiality”.

There is an interesting interaction between the freedom of information rules and the rules relating to a council’s access to documents under the powers in the 2014 Act. The amendment does not go the whole way—it would not remove the restriction on copying—but it was inspired by a recent set of events in Christchurch. Local people wanted to get to the truth of an extraordinary episode.

You will remember, Mr Speaker, that we had an Adjournment debate about beach huts in Christchurch just before the summer recess. During that debate, I drew the House’s attention to an extraordinary state of affairs. Christchurch borough council had entered into an agreement with an organisation called Plum Pictures to develop overnight residential beach huts as part of a competition organised by the Channel 4 programme “Amazing Spaces”. It did not need to obtain planning permission. There was a big stink about it all, and—partly, I think, as a result of the Adjournment debate—the contract was aborted. The council’s scrutiny committee then started an inquiry.

Despite the recommendations of the committee, which reported two or three weeks ago, the councillors have still not been shown a copy of the original contract, although it had been negated. The council is citing commercial confidentiality. I wrote to its chief executive on 3 August last year asking to see a copy of the competition and access agreement with Plum Pictures, but I have still not received a response. I had been waiting for the result of the scrutiny committee’s inquiry, but the chief executive is apparently not obliged even to comply with its recommendations.

On Second Reading, my hon. Friend the Member for Eddisbury (Antoinette Sandbach) said: “Clearly, the aim of the Bill is to throw the light of transparency on council proceedings where taxpayers’ money is being spent. In that regard, it is vital that commercial confidentiality is not used as a tool to hide documents and that these proceedings become more open.”—[Official Report, 25 November 2016; Vol. 617, c. 1203.]

I know that amendment 12 has the support of colleagues who participated in that debate.

Amendment 13 complements amendment 12 by enabling past as well as current contracts to be looked at. Amendment 14 would remove the definition of commercial confidentiality from the Bill so that it relied on existing common law. There is a mass of documentation about common-law commercial confidentiality, linked with the rules relating to freedom of information. In view of the time, I shall not go into the details now, but it seems to me that if we want the Bill to achieve its objective, there is no point in maintaining the ability of councils to impose a complete closedown by asserting that information is commercially confidential—which is all that has to happen.

The amendments would enable a member of the public to look at the document concerned, although not to copy it, and then to make his or her own assessment of whether it was commercially confidential, and whether it was in the public interest for it to be made more widely available. I think that the current tight drafting, and the restrictions on any material that is, or may be, commercially confidential, is a big weakness in the Bill.

I said at the beginning of my speech that I would keep the most radical amendment until the end. Amendment 10 would extend the right to inspect documents relating to the accounts of a health service body. I do not understand why, at a time when there is so much public concern about what is happening in various branches of the NHS—whether it be trust hospitals, clinical commissioning groups or other organisations—we are not allowing members of the public to have access to the relevant documents. We know, for example, that some NHS chief executives and other staff and administrators have received massive pay-offs. At the end of the day, the costs are not just borne by the national taxpayer but are taken out of local budgets, because they are allocated to clinical commissioning groups such as the one in Dorset.

I ask my hon. Friend the Member for Aldridge-Brownhills this question: why should not local people, including local journalists, be assisted by the Bill? On Second Reading, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton, said: “by giving journalists the right to access recent accounting information from a range of local public bodies, the Bill will assist them in their investigations”. —[Official Report, 25 November 2016; Vol. 617, c. 1210-11.]

Sir Edward Leigh: My hon. Friend is on to a very good point. We are dealing with a powerful issue, and there is not really enough time for us to discuss it today, but let me explain what I want the Bill to do. Again, I am addressing the Minister, because I think that the Government must get a grip on this. I want a culture that enables all members of the public—not just members of the National Union of Journalists, not just cliques, not just councillors, not just Members of Parliament—to have access to the accounts of not only those who work in local government and health services but those who work in academies, where huge salaries are often paid. That is what should happen in a modern age.

Mr Chope: I hope that the Minister will be able to respond to what my hon. Friend has said. I know that health is not his direct responsibility, but I am sure that he will have been briefed by his colleagues, because he obviously had notice of the amendment.
Surely this is an opportunity for the Government to demonstrate again to the public of the United Kingdom that they are on their side and will do everything in their power to ensure that there is proper scrutiny and accountability in relation to bodies that consume so much public resource. In my area, there continues to be a big conflict over a proposed merger between Poole hospital and the Royal Bournemouth. Eventually, during the last Parliament, I was able to persuade the Competition and Markets Authority that the merger should not be allowed to go ahead.

However, I have been told that covert discussions are taking place, and that the two hospitals are trying to persuade the authority to change its normal rule—that a merger cannot proceed within the next 10 years—in this particular instance. However, it is all happening under the radar: Joe Public does not know about it. That strikes me as another example of the sometimes cavalier way in which some of our local health organisations are operating.

10.30 am

Every Member who represents an English constituency has been discussing the long-term transformation plans in the health service, but I have to say that some of the basic information seems to be incredibly hard to get. I asked my local clinical commissioning group whether there would be fewer or more acute hospital beds if its proposals were implemented, and if so, how many acute hospital beds are there at present and how many would there be in the future. The chief officer did not know those basic data. He came back to me later with the data, and—surprise, surprise—the number of acute beds is going to be reduced by more than 10% despite the fact that the current occupancy rates in December and January were of the order of 95%, as against a national best practice figure of 85%. And so it goes on.

Too much is being done in the name of the public, but without the public’s being able to get down to the detail and find out who is benefiting and in whose interests some of these decisions are being taken.

As my hon. Friend the Member for Gainsborough says, this is the most radical and far-reaching amendment. Because it will not have been cleared across Government, I am sure that it will be not be acceptable to my hon. Friend the Minister, but I hope that when he responds to this group of amendments he will make encouraging noises, saying that really the Government are sympathetic to the case for bringing more of these public health bodies within the ambit of local scrutiny.

I did not want to speak for a whole hour, and I have not spoken for a whole hour, as I know that many other Members wish to participate in this important debate. I am grateful for the interest hon. Members have shown in the issues I have raised, and hope that in due course the promoter of the Bill, my hon. Friend the Member for Aldridge-Brownhills, will be willing to adopt some of these amendments—although obviously not all of them, I accept.

Mr Nuttall: May I start by paying tribute not only to the promoter of the Bill, my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), but also to my hon. Friend the Member for Christchurch (Mr Chope), because the whole House owes him a debt of gratitude for the forensic way in which he has analysed this Bill and brought such a wide array of amendments for the House to consider this morning? It seems to me that if this Bill had been subject to my hon. Friend’s level of scrutiny in its earlier stages and been examined in the detail he has demonstrated this morning, perhaps we would not be in the position that we find ourselves in now.

I cannot make any prediction as to the length of time for which I will need to address the House, but I will deal succinctly with the amendments before us. I wish to advance to the House the reasons for my amendment and explain why it is important that it is accepted. I have adopted a slightly different approach from that of my hon. Friend the Member for Christchurch. He has adopted a more scatter-gun approach—that is a description, not a criticism—whereas I have concentrated my fire on just one amendment, and I will guide the House through why I think it is critical that it is accepted.

I want to pay tribute to my hon. Friend the Member for Aldridge-Brownhills. As the House will be aware, she has rightly already achieved a degree of expertise in private Member’s Bills. In her first session in Parliament, she steered to the statute book a private Member’s Bill dealing with Great Ormond Street hospital, and everyone is grateful to her for that. She has also demonstrated her expertise in the way in which this Bill has been progressed so far: it was piloted through Second Reading in about 80 minutes and, as was mentioned earlier, it went through Committee in just 11 minutes. My hon. Friend no doubt felt very pleased about that, but I have to question the speed with which the Bill passed through Committee. I make no criticism of the Members who served on the Committee, but, as has been mentioned, no amendments whatsoever were tabled in Committee. It is also worth placing on the record that although my hon. Friend was obviously present in Committee, as was the Minister, my hon. Friend the Member for Brigg and Goole (Andrew Percy), and seven other hon. Members, there were several Members missing: the hon. Members for Clacton (Mr Carswell), for Swansea East (Carolyn Harris), for Oldham West and Royton (Jim McMahon), for Ealing North (Stephen Pound), for Stoke-on-Trent North (Ruth Smeeth) and for Liverpool, West Derby (Stephen Twigg) and my hon. Friend the Member for South Thanet (Craig Mackinlay). It is particularly noteworthy that my hon. Friend the Member for North Dorset (Simon Hoare), who had quite a lot to say about this Bill on Second Reading, missed the cut, as they say in golf, when it came to selecting the Committee members. Had he made the cut, some of the matters we will be touching on this morning might have been dealt with then.

I fear that the number and nature of the amendments before us today suggest that matters were somewhat glossed over in Committee. As evidence of that, I cite the transcript of the Second Reading debate on 25 November last year. That debate contained several references to things being ironed out in Committee. My hon. Friend the Member for Aldridge-Brownhills said:

“I understand that hon. Members have raised concerns today, and they are exactly the kind of points that I would be more than happy for us to consider in Committee.”

My hon. Friend the Member for North Dorset said:

“There will be some issues to be teased out in Committee”.
He then doubled up on that when referring to the question of what constitutes related documents. He said: “I am absolutely certain that the issue will be teased out in Committee.” —[Official Report, 25 November 2016, Vol. 617, c. 1200-03.]

Well, I am sorry to say that it was not.

The purpose of my amendment is to clarify the terminology used in this Bill, and to avoid any possibility of confusion in the future. I hope that, after I have spent a few minutes advancing the arguments for the importance of my amendment, it will be accepted, because I believe that its inclusion would strengthen the Bill. It is not what I would term a wrecking amendment, and I have tabled it in the best possible spirit. This is a short Bill, and my amendment to clause 1 simply seeks to put in the Bill what is inferred from the explanatory notes and the briefing papers, which I believe is the intention of the Bill.

The first three subsections of section 26 of the Local Audit and Accountability Act 2014 state:

1. At each audit of accounts under this Act, other than an audit of accounts of a health service body, any persons interested may—
   a) inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records, and
   b) make copies of all or any part of those records or documents.

2. At the request of a local government elector for any area to which the accounts relate, the local auditor must give the elector, or any representative of the elector, an opportunity to question the auditor about the accounting records.

3. The local auditor’s reasonable costs of complying with subsection (2) are recoverable from the relevant authority to which the accounts relate.

That is the underlying provision in statute that my hon. Friend’s Bill seeks to amend. It is important to bear it in mind, however, that that Act was itself a consolidating Act of a previous consolidating Act—namely, the Audit Commission Act 1998. It is important to remember that reference was made to a previous Act, as we shall see when we look at the leading case involved.

I want to talk now about the bodies that are covered by the 2014 Act. It covers a number of relevant authorities, which are set out in schedule 2 to the Act. For example, it covers county, district, borough and parish councils, combined authorities, police and crime commissioners, passenger transport executives and national parks authorities. At that time, it also covered the Greater London Authority. The bodies covered by the Act will inevitably produce a wide variety of stories that journalists might wish to pursue.

The leading case relating to this matter is that of R. (on the application of HTV Ltd) v. Bristol City Council. The House of Commons Library briefing on this Bill refers to that case, and the explanatory notes to the Bill mention the fact that it was this Bill that first identified the problem in the earlier legislation. We must bear it in mind that, although that case took place in 2004, it refers to the previous Act and not to the current Act that is being amended.

10.45 am

The case of R. (on the application of HTV Ltd) v. Bristol City Council was heard in the administrative court on 14 May 2004. It highlights the importance of being specific in legislation. I also believe that it highlights how there could be problems with my hon. Friend’s Bill if it were to pass without my amendment. The claimant in the case was the television company, Harlech Television—HTV—which, as Members from Wales and the west of England will know as ITV Wales and West. HTV was in the process of making an edition of its weekly current affairs show, “Barely Serious”, and the episode in question was about a landlord who provided accommodation and care services in the Bristol area.

The producer of the television company approached the local authority, Bristol City Council, to inspect the relevant records relating to the matter. Specifically, the producer wanted access to accounts that might shed light on the relationship between the council and the landlord, as there had been a number of complaints about his conduct. Initially, a reporter from the programme attended the council offices and was given access to some materials, but they described the material as being incomplete and indecipherable. The producer then wrote to the manager of corporate communications at Bristol City Council, setting out a list of documents to which she wanted access. After taking advice, the council refused access to the documents that HTV was seeking, on the ground that the TV company was not a “person interested” under section 15 of the Audit Commission Act 1998. This is the very situation that my hon. Friend’s Bill seeks to clarify.

In the HTV case, the TV company applied for judicial review following Bristol City Council’s decision not to grant access to the requested documents. HTV argued that anyone with a legitimate and genuine interest came within the scope of section 15 of the 1998 Act. HTV contested the council’s decision on two grounds, and it is the distinction between those two grounds identified in the case that has ultimately brought this Bill before us today. In particular, this is why I have tabled my amendment. First, HTV argued that as a local media organisation, it had a legitimate interest in the information in order to fulfil its role of ensuring the accountability of the authority to the public. Second, and as an alternative argument, HTV submitted that as a non-domestic ratepayer on business rates, it had a financial interest in the accounts, sufficient to bring it within the scope of section 15.

Bristol City Council accepted that when non-domestic rates had been determined locally, the claimant would have been a “person interested” under the legislation. However, it argued that since the power to set non-domestic rates had been removed from local authorities, and since money raised by non-domestic rates was presently distributed from a central fund, the claimant was no longer a person concerned. The council also submitted that the information had to be sought for legitimate purposes concerning issues relating to the audit of the authority’s accounts.

Mr Justice Elias found in favour of the claimant, HTV, but the grounds of the decision are very revealing. In his judgment, he determined that HTV was a “person interested” under section 15 of the 1998 Act, but that that was solely on the ground of being a non-domestic ratepayer. The judge found the defendant’s argument that HTV did not contribute directly to the council budget through business rates to be purely artificial. He said:

“I think it is somewhat artificial to say that non-domestic ratepayers do not contribute to the local authority’s budget. Although their contributions are channelled through, and will be
subject to, redistribution by central government—the income will be received indirectly by the authority as a grant from central government—nevertheless I think this gives them a sufficient interest in inspecting the accounts”.

The key point in the judgment was that being a media company was not sufficient to bring the claimant into the scope of the Audit Commission Act 1998, and it succeeded only in the alternative argument. Mr Justice Elias said:

“Some of the ways the claimant puts its case cannot succeed. I reject the contention that it has a sufficient interest merely by virtue of being a media organisation. It seems to me that the use to which persons wish to put the information cannot of itself make them interested persons.”

He also concluded that if a right to inspect documents existed at all, the motives for seeking to use that right, and for seeking access to the documents, was not relevant. Referring to that case and some of the detail of it explains and sets out clearly why it is so important that measures in this Bill are clarified.

Let us continue with the example of a television company wanting access to local authority documents for the purposes of a documentary. The HTV case demonstrates that another company or journalist who operates or lives outside the area would have no access simply by virtue of being a journalist and that neither would have access as a domestic ratepayer as they would ultimately contribute to a different local authority. Thirteen years after the HTV judgment, we can see why a simple legislative change is now so important. As I said, I do not seek to wreck the Bill, but it is important to set out why my amendment should be made today.

My amendment 1 clarifies the definition of a journalist, which is currently set out in clause 1(3) and its new subsection (1A), which states:

“In subsection (1) ‘journalist’ means any person who produces for publication journalistic material (whether paid to do so or otherwise).”

The problem is that it is unclear exactly what constitutes a journalist. As I mentioned in an earlier intervention, clause 1’s title is:

“Inspection of accounting records by journalists and citizen journalists.”

Although new subsection (1A) attempts to define “journalist”, there is no reference in the Bill whatsoever to “citizen journalist”. It was for that reason that I sought to table amendment 1, which seeks to insert at the end of clause 1, page 1, line 8 a proposed new subsection (1B) containing the following words:

“In subsection (1A) publication of journalistic material means the proposed inclusion in a newspaper or magazine whether paid for or distributed without payment and includes any article proposed to be published on any website on the internet whether it can be accessed without payment or upon payment of a subscription.”

Members will have seen the explanatory statement that I provided to give a flavour of why I tabled the amendment. It states:

“The purpose of this amendment is to make clear that the section covers all journalists who may wish to publish their articles in a newspaper or magazine or on the internet, irrespective of whether there are any charges for either.”

I suspect that there is not much controversy over the definition of a journalist. Although, as we heard from my hon. Friend the Member for Christchurch, the exact definition of a journalist can be open to some dispute, and I will come on to that when I deal with his amendments. As far as my amendment is concerned, the real difficulty is with the definition of what amounts to a “citizen journalist”. Rather than try to make the wording even more clumsy and complicated by trying to define the term “citizen journalist”, I have simply expanded on the word “journalist” to make it clear that if somebody wants to publish their work on the internet, that should be covered by the Bill.

Mr Chope rose—

Philip Davies rose—

Mr Nuttall: Ah, a dilemma. I will give way first to my hon. Friend the Member for Christchurch.

Mr Chope: My hon. Friend is making a fascinating contribution. Although “citizen journalist” is referred to in the rubric of clause 1, there is no definition of it; there is only a definition of “journalist”. Does he agree that that rather suggests that there was originally other material in clause 1 that was cut out as a result of negotiations between our hon. Friend the Member for Aldridge-Brownhills and the Department, and that the Department failed to observe that there was no longer any definition of “citizen journalist” and amend the Bill accordingly?

Mr Nuttall: There may be some reason for why there is no definition of “citizen journalist” in the Bill, but I must admit that I am unaware of what that reason might be. What I can say, before I give way to my hon. Friend the Member for Shipley (Philip Davies), is that the Bill’s explanatory notes state in paragraph 4:

“Accordingly, we are seeking to extend the definition of ‘any persons interested’ in section 26(1) of the Act”—

the Local Audit and Accountability Act 2014—

“to include journalists, including ‘citizen journalists’.”

Crucially, paragraph 4 goes on to state that “citizen journalists” means

“bloggers and others who scrutinise local authorities but who may not be accredited members of the press to enable them to access a wider range of accounting material in order to report and publish their findings so that it is available to local electors in an area, thus providing them with information that will enable them to better hold their local council to account.”

Who can disagree with that? It seems an entirely laudable aim, and it is rather disappointing that that laudable aim was not carried through on to the face of the Bill. That is what my amendment seeks to do.

Philip Davies: Where do social media fit into my hon. Friend’s wide definition of the term “journalist,” particularly with regard to Facebook and Twitter? If he is basically saying that the term covers anyone who wants to publish anything on the internet, it seems to me that anybody, anywhere can publish on Twitter or Facebook, or whatever. Will that fall within his definition? Does his definition of journalism cover any member of the public? That brings us back to amendment 2, moved by my hon. Friend the Member for Christchurch (Mr Chope).

11 am

Mr Nuttall: I am grateful to my hon. Friend for his intervention because he touches on what I will cover in my remaining remarks on amendment 1. There is a distinction to be drawn, because although I agree that my wide definition would, on the face of it, give a very
large number of people the right to go and inspect the accounts, the definition does require some publication on the internet. If somebody wanted to go for their own private interest, perhaps for academic research, they would not be included without there being such a publication. There would have to be some element of publication on the internet, and I make no apology at all for my definition covering a wide category of people, because I want to make it as wide as possible.

Philip Davies: Just to clarify, as I am still not entirely clear, does that mean that publication on social media such as Twitter would fall within my hon. Friend's definition of journalism?

Mr Nuttall: In short, yes—I am absolutely clear about that—because my definition refers to publication on a website. If a person publishes something on their Twitter account, it is possible to look them up using the web address and to scroll back through their tweets to see what they said yesterday, a month ago or a year ago. It is published for all time on the internet.

Philip Davies: I am not unsympathetic to my hon. Friend's point. The only issue I would raise, and it may be an added complication, is that many Twitter profiles, as we all know too well, are anonymous. We would have no idea who is behind such publications. Is there any implication in amendment 1 that, in defining "journalist", no idea who is putting such information out there. On the other hand, if it is an anonymous Twitter account, or if we are inclined to trust the public to treat any published information with a high degree of caution because they would not be able to know its source. Although I would defend the right of anyone to publish such information—this comes back to the question of fake news raised by my hon. Friend the Member for Christchurch—the problem with such accounts is that, because they are not accredited to any recognised journalistic outlet, members of the public should be cautious about what they read on them. That does not detract from my fundamental point that the mere fact of information being published on what we refer to with the shorthand "social media" should not stop it being regarded as having been published.

In the past, things were published in a daily newspaper and that was it. There is the old saying about today's newspaper being tomorrow's fish and chip paper, and I am old enough to remember when that was true.

Sir Greg Knight (East Yorkshire) (Con): Does my hon. Friend accept that even in newspapers some items are anonymous? For many years there was a column in the Daily Express called "William Hickey," but there was no such person.

Mr Nuttall: I am grateful to my right hon. Friend for his comment, which supports my answer to my hon. Friend the Member for Shipley. The mere fact of anonymity should not preclude publication, but it should then be up to the individual reader to decide what weight to give the information or news item in a column. Of course, the law would apply equally to printed material under the 2014 Act.

In answer to my hon. Friend, things can be published anonymously in a newspaper, not just on the internet. We often see letters in newspapers saying "name and address withheld." Information can be put into the public domain without any indication of who has put it there.

Amendment 1 would broaden the scope of what is termed "journalistic material" to ensure that news websites in all media formats are included. The world of journalism is changing and evolving, and it is important in a free society that different viewpoints can be freely expressed and that journalists have the freedom to go about their work.

The public affairs and software company Vuelio listed the top 10 political blogs in the UK as of June 2016, and in first place was Guido Fawkes. It was followed by political websites of all persuasions, including Wings Over Scotland, which I cite for the benefit of our friends from Scotland—the hon. Member for Glasgow Central (Alison Thewliss) has left her place. The list also included LabourList, Left Foot Forward, Political Scrapbook, Political Betting, ConservativeHome, Slugger O'Toole, Liberal Democrat Voice and Labour Uncut. All aspects of the political spectrum are covered by political blogs.

The number of viewers watching a programme, the number of readers of a newspaper and the number of visitors to a website should not, of itself, be the criterion by which we determine whether something is valuable. My hon. Friend the Member for Christchurch made the interesting comment that if something is published on a website that only has a readership within the area of Christchurch and Bournemouth, that would be sufficient to meet the definition of publication. It does not have to be a national publication because, by definition, we are talking about local bodies and local councils. It seems more important to consider the quality of the readership, rather than its number or location. It might be more relevant to communicate something to 100 people in the locality than to 10,000 people who live somewhere else in the country, so we cannot purely look at the numbers when deciding this.

We need to bear in mind not only written publication and communication by social media and on the internet, but the fact that we are moving into an age of video bloggers—vloggers. I have therefore tried not to be too prescriptive about what constitutes a news outlet and my amendment simply specifies "on any website". With modern technology, it is easy for anyone to produce their own reports and put them on the internet for others to view. Last year, research by the Reuters Institute for the Study of Journalism suggested that 51% of people with online access use social media as a news source. That is a fairly high proportion, but 28% of 18 to 24-year-olds—the younger generation, whom we want to get involved in the political process—cited social media as their main news source; nowadays this is where people get their news. More of that age group cited social media as their main news source than cited television—its figure was only 24%. It is important that this legislation reflects that changing landscape in journalism. We have to accept that in an evolving social
media world the definition of “a journalist” will inevitably change over time. My amendment seeks to future-proof the Bill, which is why it stresses the words “any website on the internet”.

Sir Greg Knight: I am a little concerned about my hon. Friend’s amendment, because I think it is restrictive. In terms of hard-copy publications, it refers only to “a newspaper or magazine”. Would it therefore not exclude a parliamentary candidate who was seeking to root out local corruption and wanted to publish in an election leaflet?

Mr Nuttall: I am grateful to my right hon. Friend. For that intervention, and I fear my definition might exclude that, which may be why my hon. Friend the Member for Christchurch tabled an amendment to include “politician” in the definition. I would hope that any would-be politician—any election candidate nowadays—would have access to social media and their own website and so would be able to use the fact that they were going to publish on that website as reason to inspect the documents.

Let me try to pre-empt some further criticisms that may be made of my amendment that relate to the definitions of “internet” and “website”. The definition of “internet” is:

“A global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols.”

Alternatively, the “net”, as the internet is often referred to, is defined as

“a worldwide system of computer networks—a network of networks in which users at any one computer can, if they have permission, get information from any other computer”.

11.15 am

A website is defined as

“a set of pages of information on the internet about a particular subject”.

I challenge people to ask themselves: if a member of the public was reading my amendment, would it be clear that the intention is to expand the definition of “journalist” and to go some way towards what the Bill’s sponsors claim they are doing with their provision. There is no ambiguity here.

Mr Chope: My hon. Friend says that there is no ambiguity, but clause 1’s title refers to “citizen journalists”, yet the clause contents refer only to “journalists”, not to “citizen journalists”. That creates confusion, does it not? Why are we not just talking about journalists and then defining “journalists” in subsection (3)?

Mr Nuttall: To be fair, my amendment does not refer to “citizen journalists”—only the clause title does, although the term is used in the notes and the briefings. With hindsight, I think this should be deleted from the clause title, because it leads people down a cul-de-sac, as they will think a bit is missing from the Bill and will wonder where the definition of “citizen journalists” is. As I said, I decided that rather than trying to define that, it would be better to extend the existing definition of “a journalist”. Perhaps it would have been better to define—somehow—what a “citizen journalist” is, but I was conscious that a number of colleagues objected on Second Reading to the reference to “citizen”, because we are all subjects of Her Majesty. For that reason, I felt it was not sensible to incorporate the term “citizen journalists” in legislation, and I would prefer it if those words were struck from the Bill.

My amendment deals with whether payment being made for a newspaper or magazine, or for access to a website, should affect the situation. I have made it clear that that should have no bearing on whether someone, whether or not a citizen journalist, should have the right to access the accounts of their local council or other body covered by this legislation. The Bill makes it clear that it matters not whether the journalist is paid or unpaid, but I thought it was equally important to clarify this issue about payment to access the site.

Sir Greg Knight: The more I reflect on my hon. Friend’s amendment, the more unsatisfactory I think it is. Why is he apparently discriminating against television journalists? Many journalists, such as Michael Crick, might want to prepare a news piece for broadcast in a television programme, not for release in a magazine or newspaper, or on the internet. Why are television journalists excluded from his amendment?

Mr Nuttall: I do not intend to exclude anybody. Nowadays, all the broadcasters have websites. They would not necessarily need to publish or broadcast online, but I am not aware of any broadcasters that do not have websites. Perhaps my right hon. Friend is aware of some, but I would have thought it very simple for any broadcaster, faced with a council using the argument advanced by my right hon. Friend as a shield, to say, “In any event, we will be publishing it on our website.”

Philip Davies: To reinforce my hon. Friend’s point, all TV channels can be accessed via the internet these days, so really they all publish on the internet as well. If I read his amendment correctly, it talks about what is included; it does not necessarily refer to excluding other things. It is really an enabling amendment, which I hope will give some comfort to my right hon. Friend. The Member for East Yorkshire (Sir Greg Knight).

Mr Nuttall: I am grateful to my hon. Friend. For that intervention, because it is important to note that the amendment says “and includes”: I have tried not to exclude any other options but merely to clarify. I hope that that will be noted by the Bill’s promoter and the Minister, who I fear may have some reservations about my amendment. I hope they will concentrate and reflect on that intervention from my hon. Friend.

I wish to comment briefly on several other amendments, but I am understandably concerned that I advance the best possible case for my own. I hope I have been able to satisfy all those with concerns about my amendment and that I have set their minds at ease. I note that the Bill’s promoter has not sought to contest my amendment in any way during my remarks. I sincerely hope that, when she speaks, she will indicate her willingness to accept it in the spirit in which it was tabled. It is not a wrecking amendment; it merely seeks to achieve what
her explanatory notes to the Bill say and extend the
cover to citizen journalists and bloggers to enable them
to inspect the accounts of local authorities.

I wish now to deal with the amendments tabled by my
hon. Friend the Member for Christchurch and make it
clear which of them I do and do not support. His
amendment 2, as on the amendment paper, would essentially
mean that virtually anyone would be able to make use
of the powers in the Bill. I am happy to support that,
although it is perhaps a touch ambitious, given the
views expressed so far during the Bill’s progress by its
promoter and the Minister.

My hon. Friend has suggested several other options
for the House to consider, including, in amendment 3,
extending the access to include politicians. As I made
clear in my intervention earlier, I have some concerns
about the fact that the word “politician” is not defined
anywhere in the Bill, but I have no objection at all to the
general proposition of extending the scope from journalists
to politicians.

Amendment 4 deals with the position of non-domestic
ratepayers, which is particularly important as we move
into an era in which we are going back towards the
localisation of business rates. That move will inevitably
lead businesses within an area to take more interest in
what is going on in their local authority, so I wholeheartedly
support the amendment.

Amendments 5, 6 and 7 give the House the opportunity
to choose between the Bill applying to journalists who
are accredited, professional or qualified. We heard from
my hon. Friend earlier that his preferred option would be
for it to apply to accredited journalists, as per amendment 5.
I am happy to go along with my hon. Friend for the
reasons he set out.

Amendment 8 would remove the definition of a
journalist entirely. As that would, of course, be in direct
contravention of my amendment, I would oppose it and
press my own instead.

Sir Greg Knight: My hon. Friend is galloping on at
such a speed that he rather skipped over amendment 3.
Does he share my concern that it might be defective
because it refers to a politician, the definition of which
is someone who is professionally involved in politics,
especially someone who holds an elected office? That
might rule out an aspiring politician who is a candidate
but is yet to be elected.

Mr Nuttall: I am grateful to my right hon. Friend for
that intervention. He might have missed my intervention,
but I made that point earlier in the debate. I entirely
agree that there is a difficulty with not defining the term
“politician” to make it clear that someone who aspires
to elected office should be included, because they are as
likely as anyone to want to carry out investigative work,
study the accounts to get to the bottom of them, and
see whether there is anything in there that they need to
bring to the public’s attention.

Amendment 9 is as on the amendment paper. It
would extend to section 26 of the 2014 Act the same
conditions set out in section 25(3) of that Act. My hon.
Friend the Member for Christchurch has again struck
something that is worthy of the House’s consideration.
I am not sure whether he wishes to press the amendment
to a vote but, should he so wish, I would certainly
consider supporting it.

11.30 am

My hon. Friend’s most controversial amendment is
amendment 10, which would deal with the inclusion of
health service bodies by removing the words
“other than an audit of accounts of a health service body”
from clause 1. It is worth noting that the House of
Commons briefing on the Bill refers to the fact that the
bodies covered by the 2014 Act include clinical
commissioning groups within the NHS. Of course, they
are only one small part of the NHS. Like him, I see no
reason why the Bill should not be amended to make it
clear that the plethora of different health service bodies
are covered.

Mr Chope: To reinforce that point on clinical
commissioning groups, CCGs have a veto over the use
of procedures for people living within their areas. Those
vetoes are often controversial and are justified on the
basis of cost. If people cannot examine the cost bases of
decisions, it is difficult to hold CCGs to account.

Mr Nuttall: I entirely agree with my hon. Friend.
There would be considerable interest from local residents
in accessing all the accounts of all health service bodies.

My hon. Friend’s amendment 11 would extend the
period in which inspections can be carried out beyond
30 days. I have heard no explanation as to why the
period is 30 days and not 60, 25 or another number. I
tirely agree that no logical reason has been advanced
as to why we should have a 30-day limit. I would
support him on the amendment.

Amendments 12, 13 and 14 are more technical
amendments dealing with commercial confidentiality. I
welcome amendment 13 and recommend it to the House.
The fact that something was commercially sensitive in
the past should not prevent the accounts and associated
paperwork from being inspected now.

Those are my views on my hon. Friend’s amendments,
but I reiterate that I commend my amendment 1 to the
House. I hope this is not the case, but if the amendment
is opposed, that will draw into question everything said
about the Bill’s extending access to a wider number of
people and giving information to the public. I have
sought only to put in the Bill what the explanatory
notes say the Bill is about.

At the very least, if for whatever reason my amendment
does not find favour with the promoter of the Bill, I
would first be interested to know why. Secondly, the
public would be suspicious of the Bill. Let us not forget
that the Bill was brought before the House because the
initial Acts were defective. I advise the House to be
wary of any arguments advanced by the Government
against my amendment, because Governments of various
hues down the years have led us to the position we are in
this morning. I have attempted to be clear and open.
One can argue over individual words, but I submit to
the House that my amendment is perfectly clear. It
seeks to give clarity to the phrase “citizen journalist”,
which, whether we like it or not, appears in the heading
of clause 1. I commend my amendment to the House.

Philip Davies: I am grateful to my hon. Friend the Members for Christchurch (Mr Chope) and for Bury
North (Mr Nuttall), who have given a compelling and
comprehensive account of their amendments. I rise to
subsection and insert ‘any members of the public who are registered’

I join my hon. Friend the Member for Bury North in congratulating the Bill’s promoter, my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), on getting her Bill to this stage. It is a good Bill, but if it were to incorporate some of the points made by my hon. Friends the Members for Christchurch and for Bury North, it would be a better Bill. The whole purpose of the Report stage is to try to improve a Bill. My hon. Friend the Member for Brigg and Goole (Andrew Percy) is an excellent Minister, and I hope that he and my hon. Friend the Member for Aldridge-Brownhills have listened carefully to my hon. Friends, and that they appreciate, on reflection, that the Bill could be better. I will try to set out which of the amendments the Minister and my hon. Friend should be minded to accept. If they are minded not to accept them, I encourage my hon. Friends the Members for Christchurch and for Bury North to consider pressing them to a Division to test the will of the House.

My hon. Friends have made compelling cases for some but not all of their amendments, which is where I will focus my attention. Amendment 2 is the lead amendment in the group—rightly so, in many respects. It is my contention that it is the most powerful amendment in the group and if my hon. Friend the Member for Christchurch is tempted to press any of his amendments to a Division, I hope he focuses his attention on amendment 2, which states:

“Clause 1, page 1, line 5, leave out from ‘after’ to the end of the subsection and insert ‘any members of the public who are registered to vote in local elections in the United Kingdom’.”

In simple terms, my hon. Friend is basically saying that everybody in the country should have a right to know what is going on in local authorities. His compelling case was based on what is happening in his local authority and the neighbouring authority in Bournemouth. Clearly—it seems obvious to me—if two local authorities are potentially merging, a member of the public in one should have the absolute right to full access to all the information from the other to assess whether it is in their best interests for the merger to go ahead. Without access to the information, how on earth can they be in a position to make that judgment? That completely flies in the face of democracy.

It would be perverse in many respects if, in respect of my hon. Friend’s local authority area, the editor of the Evening Standard, who was mentioned earlier, was able to access the documents relating to his neighbouring council by virtue of being a journalist—a fine and leading one, at that, as the editor of a prestigious newspaper—but my hon. Friend’s local residents were unable to get the same information. That would surely be a perverse outcome, and it cannot really be the one envisaged when the Bill was in its infancy. I do not see what possible argument there could be against his amendment. If we believe that, in extending transparency, local authorities can rightly be held to account and the public can have greater awareness of what is going on, why do we not give them all the opportunity to see the information for themselves rather than relying on journalists to do the job for them?

I agree with the principle of extending the range of people who have access to these documents. However, the problem is that this proposal, while a step in the right direction, is not sufficient because, as we all know, the newspaper industry, and local newspapers in particular, are going through a pretty torrid time financially at the moment—I do not think there is any secret about that. With things moving on to the internet, newspapers find it very difficult to adjust and to monetise their content. We therefore tend to find in many local areas that, unfortunately, despite the best efforts of local newspaper groups, they are not increasing the number of journalists who would get access to all these documents and go through them with a fine-tooth comb; they are actually shedding journalists, and they are being spread more thinly. It is slightly naive to hope that, on the back of having given local journalists access to this information, all this stuff will suddenly be in the public domain, because I am not entirely sure that the journalistic trade has the capacity to do that. We will therefore be enabling something that is very worth while but which may not happen in practice. If we want this information to be in the public domain so that the public are able to hold local authorities to account, we cannot just rely on journalists because it is difficult to see how they will have the capacity. We have to allow the public to do it themselves.

I do not see why anybody should not be able to have access to this information. In practice, the chances of somebody in Shipley gratuitously showing an interest in the local authority in Christchurch are very remote. Nobody is going to be inundated with requests for that kind of scrutiny, but residents in Christchurch may well want to know what is happening in Bournemouth, which is just down the road, and they should absolutely have the right to inspect and see whether the council is behaving in the way it should. I was rather shocked to hear the allegations made by my hon. Friend the Member for Christchurch about the conflicts of interest of the leader of Bournemouth Council. Without going over the detail myself, it certainly did not sound very good. It is absolutely right that local residents in adjoining authorities should be able to know what is going on.

I genuinely do not see why my hon. Friend the Member for Aldridge-Brownhills or the Minister would want to resist this greater transparency and scrutiny, because surely that is the whole purpose of the Bill. In his amendment, my hon. Friend the Member for Christchurch is, in effect, taking the Bill to its logical conclusion. I am pretty sure that if we do not do this now, there will be another private Member’s Bill further down the road introducing the measures that he proposes, because there is a clear logic to what he is trying to achieve. I believe in transparency, and I think it is very difficult to argue against it. If we are to go down the route of transparency, let us have full transparency so that nobody can claim that they did not have an opportunity to access any detailed information that they wanted to see.

Mr Chope: My hon. Friend mentioned the shortage of local reporters and the pressures on local newspapers. Does he recall that only last month the BBC said that it
was setting aside £8 million a year to pay for 150 reporters to work for local news organisations across the country? Is not that stark evidence of the plight of many of our local newspapers?

11.45 am

Philip Davies: My hon. Friend is absolutely right. I do not want to get too side-tracked, Madam Deputy Speaker, and you would not allow me to, but it is fair to say that the BBC does not help in these matters because it pinches local content and shoves it on its website free of charge, making it difficult for local papers to monetise their work. I welcome what the BBC said, but I do not know whether it will work in practice in the way that is envisaged, because what I see, Madam Deputy Speaker—I do not know what is happening in Derbyshire or in other parts of the country—is local papers still shedding staff rather than recruiting staff. I have not noticed any difference in that regard since the announcement was made. We will have to see what happens. However, as my hon. Friend says, we cannot rely on local newspapers being able to fill this void. I think he is on to something with amendment 2, which is the strongest of the group.

Amendment 3, also tabled by my hon. Friend the Member for Christchurch, mentions “including any politician or journalist”.

I got the sense that my hon. Friend felt that, between them, my right hon. Friend the Member for East Yorkshire (Sir Greg Knight) and my hon. Friend the Member for Bury North had torpedoed his amendment with regard to the definition of “politician”, which is clearly unsatisfactory. As they both said, to include people who are elected but exclude those standing for election would be unacceptable, because everyone should be on a level playing field. Because amendment 2 is so good, it rather exposes the weaknesses in my hon. Friend’s other amendments. He seems to be making the best of the bad job, working on the premise that if amendment 2 is not accepted, let us see what else we can do to try to make the Bill better. I think he should be focusing his fire on amendment 2; the others do not really cut the mustard.

My hon. Friend is also on to something with amendment 4, whereby he wants to include non-domestic ratepayers. He is absolutely right about that. I suppose that if he had not tabled amendment 2, I would have supported amendment 4, but if we go for amendment 2 we do not need to bother with amendment 4, because it rather weakens what he is trying to do with his lead amendment.

In amendments 5, 6 and 7, my hon. Friend is trying to make the best of a bad job with his “accredited”, “professional” and “qualified” definitions of journalists. My hon. Friend the Member for Bury North pointed out that those were not good enough, and I accept that. I suspect that my hon. Friend the Member for Christchurch is a rather unenthusiastic supporter of those three amendments, but I appreciate his tabling them because they have prompted a debate to consider whether they have any merit. I think we have generally concluded that they do not, but I am grateful to him for allowing us to look at them.

Amendment 8 is about removing the definition of “journalist”. Again, that amendment has merit, but amendment 2 rather supersedes it.

I wish to touch on amendment 1, tabled by my hon. Friend the Member for Bury North. I am interested in both the amendment and his defence of it. He made some very good points. I moved between supporting it, opposing it and supporting it again as he was making his remarks. He certainly put up a very good defence of it. I agree with the thrust of what he is trying to achieve, which is to extend the definition of “journalist” to cover as many people as possible. That is the common theme of what those of us who have spoken so far are trying to achieve. We want as many people as possible to have access to this information. The question is how we best achieve that.

Amendment 1 was a rather imaginative way of effectively trying to include virtually everybody. In some respects, it makes everybody a journalist, including those on Twitter and Facebook. I am not entirely sure how many people are not on Twitter or Facebook—they are the sensible ones as far as I am concerned—but probably not that many. I am not on Facebook, but I am on Twitter. I regard going on Twitter as probably one of the worst things I have ever done in my life. I have about 16,000 followers, all of whom hate me. It is very interesting to read what they have to say, but it all seems rather pointless. They “can hurt us as much as they like”—it does not bother me—but I am not entirely sure that it gets us anywhere. My hon. Friend wants to include those people in his definition of a journalist. As somebody who always wanted to be a journalist and actually did the National Council for the Training of Journalists course at Sheffield college, I am not entirely convinced that those of us on that course would think that any old moron on Twitter should be able to describe themselves as a journalist. None the less, that is the age that we are in. There is a lot of merit in what my hon. Friend says, and it would be bizarre in this day and age to exclude those people who publish material in those ways. That is the way of the world, and we must accept that whether we like it or not. It seems that he is working within the spirit of the Bill, and he made that clear during his remarks.

As my hon. Friend was speaking, I saw that the Bill said that “‘journalist’ means any person who produces for publication journalistic material (whether paid to do so or otherwise).” In the explanatory notes, it says that it covers journalists, “including ‘citizen journalists’, that is bloggers and others who scrutinise local authorities but who may not be accredited members of the press to enable them to access a wider range of accounting material in order to report and publish their findings so that it is available to local electors in an area, thus providing them with information that will enable them to better hold their local council to account.”

What this Bill seeks to do is what my hon. Friend’s amendment states. I look forward to what the Minister and my hon. Friend say. If the Minister for Aldridge-Brownhills have to say in response, I cannot work out whether there is any reason for my hon. Friend for Aldridge-Brownhills not to accept the amendment, because it seems to be the thrust of what she is trying to achieve, or whether there is no point to the amendment, because it will already be covered by the Bill. I cannot work out which of those two it is; it may well be an element of both.

My hon. Friend the Member for Bury North is trying to make sure that it is clear who is covered. It may well be that these people are already covered, but he wants
[Philip Davies] to make that clear in the Bill. If that is what is happening, I do not see why anyone would want to oppose it. If all he is doing is clarifying what is intended anyway, it seems that we are all in agreement. I look forward to hearing whether amendment 1 is what this Bill is supposedly doing anyway.

My hon. Friend the Member for Christchurch made a very good case for all his amendments. I just wish to touch on amendment 10, which my hon. Friend the Member for Bury North called the most “controversial” one, and my hon. Friend the Member for Christchurch called the most “radical” one. I describe it as radical rather than controversial. I am not entirely sure why it would be controversial, but I do accept that it is radical. The amendment would ensure that the provision includes health service bodies. I would be very interested to hear the argument against what my hon. Friend is trying to do. Why would we not think that there should be full scrutiny of the accounts of a health service body? Why would we want to focus just on local councils? Why should other local health authorities not be subject to the same rigour? Surely no one could suggest that it is utterly terrible for a local authority to be wasting or misappropriating money, but that it is absolutely fine for a local health authority to do so.

If we want to be sure that local authorities are not doing things that they should not be doing, and that there is full accountability to the people whom they are supposed to serve and to the people who may take an interest in what they are doing, the same rules must apply to a local health authority. I cannot see why anyone would argue against that. Again, I am interested to know what the Minister and my hon. Friend the Member for Christchurch have to say on that and on why they think that one is more important than the other.

In many respects, one could argue that people might be more concerned about what is happening in their local health authority, rather than in their local authority. It may well be more important to their day-to-day lives. Again, the amendment is certainly radical, but I cannot see why it should be controversial. Many people would be astonished that a local health authority is not already included in the Bill. I praise my hon. Friend the Member for Christchurch for being absolutely forensic when scrutinising legislation, and this House would be much poorer without him doing so. It goes to show why Bills should not go through this place on the nod, and why we should have proper scrutiny. Lots of things come up in the course of that scrutiny that people have not considered. I do not blame my hon. Friend the Member for Christchurch for not including these measures. Indeed, it is why we have a debate and why we have amendments. The wisdom of 650 is quite clearly better than the wisdom of just one. Other people think of things that we would never have thought of. My hon. Friend the Member for Christchurch does so on a regular basis, and I commend him for that.

In summary, my hon. Friend the Member for Christchurch and for Bury North have done the House a great service by seeking to improve the Bill. Anybody can see that they are not trying to ruin it; they are trying to make it better. It is a good Bill so far, but it would certainly be improved by some of these amendments. My final analysis is that if my hon. Friend are to press any of their amendments to a Division—with your permission, Madam Deputy Speaker, of course—they should do so with amendments 2 and 10, because those amendments are the most powerful. The Bill represents an improvement, but amendments 2 and 10 would turn it into something that will be very good for the public and will stand the test of time. I wish the Bill well, and hope that it will pass with those amendments.

Teresa Pearce (Erith and Thamesmead) (Lab): I thank the hon. Member for Aldridge-Brownhills (Wendy Morton) for introducing the Bill. As someone who has brought a private Member’s Bill to the House, I know the hard work that goes into it. Her Bill has got far further than my Bill did, and I wish her every success in taking it further.

12 noon

I do not intend to speak for too long. The Bill makes a relatively small change to existing legislation, but that change will increase transparency, improve openness and, I hope, increase public engagement in decision making. There are 14 amendments before us, in the names of the hon. Members for Christchurch (Mr Chope) and for Bury North (Mr Nuttall), and I will talk briefly about them.

Amendment 2 would extend the provision on public access to local audit documents to include people who are registered to vote in local elections in the UK. We support measures to extend transparency and openness, and the amendment would undoubtedly help to achieve that. Amendments 3 and 4 would adjust the Bill to include politicians and business rate payers in the list of people who can scrutinise local audit documents. As with amendment 2, which would largely cover those people, we support measures to extend transparency and openness.

Amendments 5, 6 and 7 would adjust the reference to “journalist” to require a journalist to be accredited, professional or qualified, and amendment 8 would remove the definition of journalist. I believe that the hon. Member for Christchurch tabled the amendments to ensure that the definition of a journalist was debated today, but I am hesitant about them. The Bill is designed to extend the ability to view the documents that we are discussing, and I am sure we all want to ensure that no journalist is unable to scrutinise them.

Amendment 1 would provide greater clarity by ensuring that clause 1 covers all journalists, from the humble local blogger to those in our very own Press Gallery in Parliament, regardless of whether payment or a subscription is needed to access the relevant publications. If the House wishes to make the provisions applicable only to journalists, we would have no objection to the amendment becoming part of the Bill.

Amendment 9 would ensure that anybody who was eligible to view the documents could do so at all reasonable times and without payment. As long as the Minister can assure us that the amendment would not impose a burden on local authorities, we would welcome it. Amendments 10 and 11 would extend the provisions to health service bodies and extend the period in which inspections can be carried beyond 30 days; we support that proposal. Amendment 13 would allow previous inspections to be inspected, and that is welcome. The scrutiny of past contracts will no doubt ensure that future contracts are drawn up in such a way as to secure the best possible service and value for money.
Amendment 12 would remove the restriction on inspecting parts of the accounts on the grounds of commercial confidentiality, but it would maintain the restriction on copying. Amendment 14 would remove the definition in the 2014 Act of when information is protected on the grounds of commercial confidentiality. I am hesitant to remove those protections without further detail and consultation with local authorities. I look forward to hearing the responses from the Minister and other hon. Members to the amendments.

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Percy): I welcome the opportunity to speak on behalf of the Government, in place, I am sad to say, of the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones), who has responsibility for local government. I know that he would be delighted to be here, were he not otherwise engaged. I, too, would be delighted if he were here, knowing as I do of his passion for the Bill.

Sir Greg Knight: Has my hon. Friend any information to relate to the House about why not a single Liberal Democrat is here?

Andrew Percy: I will, of course, give way to my fellow east Yorkshire colleague.

Sir Greg Knight: Has my hon. Friend any information to relate to the House about why not a single Liberal Democrat is here?

Andrew Percy: Sadly not, other than that the public seemed to diminish Liberal Democrat numbers somewhat at the last general election, proving once again that members of the public are very sensible individuals, on the whole.

I welcome the opportunity to comment briefly on the amendments tabled by my hon. Friends the Members for Bury North (Mr Nuttall) and for Christchurch (Mr Chope), and on the important points made thus far. I had the privilege of stepping in for the Local Government Minister in Committee, when I offered the Government’s support for the important principles behind the Bill.

The amendments have been tabled with the best of intentions—the Bill’s promoter, my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), will deal with them in more detail—but I want to set out the Government’s view on why we do not think agreeing to them would be a good idea. The Bill’s virtue is its simplicity. By seeking to clarify what is meant in the legislation by where material may be published, amendment 1 may unintentionally—we know that it is unintentional from the speech made by my hon. Friend the Member for Bury North—narrow the places where such articles may be published. Sometimes, a less precise phrase in law permits a helpfully wider interpretation, and I believe that is the case here.

Mr Nuttall: I have no doubt that a similar argument would have been advanced when the original Audit Commission Act 1998—the legislation that led to the court case from which this Bill arises—was going through this House, so there is actually a strong argument for trying to be as clear as possible in the Bill about what is intended.

Andrew Percy: I do not agree. Given its reference to the internet and websites, my hon. Friend’s amendment could unintentionally and unhelpfully narrow the interpretation.

Hon. Members may be interested to know that the concepts of journalistic material and publication already appear in legislation many times—although to my mind, “publication” in particular is a simple, plain English definition needing no further clarification. For example, “journalistic material” appears in section 264(2) of the Investigatory Powers Act 2016, as well as section 13 of the Police and Criminal Evidence Act 1984, and “publication” has similar antecedents.

It is fair to say, however, that not everybody who will seek to use the Bill will necessarily be familiar with the concepts and interpretation of those terms as they are used in it. I have heard what my hon. Friends have said and will therefore commit to ensuring that any accompanying explanatory notes are amended, if the Bill passes to the other place, to clarify those points. My hon. Friend the Member for Bury North referred to journalists as opposed to citizen journalists. The definition of a journalist includes citizen journalists, which is why a separate definition has not been required.

My hon. Friend the Member for Aldridge-Brownhills is keen to get to her feet and respond in detail to the amendments tabled by my hon. Friend the Member for Christchurch, so in the interests of brevity, I want to concentrate on two issues he raised—or, on reflection, maybe three. Amendment 2 would be likely to impose a new burden on local authorities, because we would be asking them to make their records available to everyone, which is something that they have not previously been required to do under the 2014 Act. That would therefore need to be funded by the Government, whereas we are seeking to extend the existing right to a defined group of people, and that would not be considered in the same light.

I heard what my hon. Friend said about amendment 10 regarding health bodies. I cannot speak on behalf of other Departments, but as Members of Parliament we are all concerned about transparency in the health system. The stated intention of the 2014 Act and the response to the consultation on it did not include health bodies. It would therefore be wrong to include those in the scope of the Bill.

Mr Chope: My hon. Friend was pretty succinct in rejecting amendment 2. Does he have any evidence of how much it would cost local authorities if it became part of the law, and will he seek to make a comparison between that cost and the pay-off for the chief executive of Bournemouth Borough Council?

Andrew Percy: I have listened with interest to my hon. Friend’s comments about the chief executive of Bournemouth, but—perhaps to the delight of my officials—I will not say anything about that decision, especially in the light of the other issues affecting the potential reorganisation in Dorset at this time. Needless to say, extending such a right more generally to any part of the law, and will he seek to make a comparison between that cost and the pay-off for the chief executive of Bournemouth Borough Council?

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Further to my hon. Friend’s comments on amendments 12 to 14, paragraphs 31 and 32 of the local authority transparency code already require councils to publish quarterly spending and procurement information. He referred to tender documents, and the code requires the details of every invitation to tender for contracts to provide goods or services with a value that exceeds £5,000 to be published, as well as the details of any contract, commissioned activity, purchase order, framework agreement and other legally enforceable agreement with a value that exceeds £5,000. Such documents are of course available to anybody.

Last May, the Government consulted on updating the code to provide an opportunity for greater town hall transparency—Members on both sides of the House, but certainly Conservative Members, want that—and for enhanced scrutiny of the use of public assets and resources, including through the better comparison of data. In respect of contractual information, the consultation proposed to standardise the data and, importantly, to make comparisons easier through their publication in a central source. We hope to publish our response to the consultation shortly, and I hope that it will abate some of my hon. Friend’s concerns about local transparency.

I want to deal quickly with an intervention by my hon. Friend for Christchurch (Mr Nuttall) and for Christchurch (Mr Nuttall) for Christchurch. He mentioned local government reorganisation in Lincolnshire and stated that one council is trying to take over another. I want to make it clear for the record that North Lincolnshire Council has not proposed to take over any other neighbouring authority. The Government have received no proposals of such a nature. All that is happening is that across Lincolnshire in the broadest sense—the county and the two unitary areas—a conversation is going on between council leaders about how the future of local government will look. It is important to provide that clarification as the matter was raised during this debate.

I hope that my hon. Friend the Member for Aldridge-Brownhills will address some of the amendments in a moment, but I am confident that my hon. Friends the Members for Bury North and for Christchurch will respond, in their usual way, with reasonableness and, as I think that I got from their speeches, with an understanding that what lies behind the Bill is a good thing—it will extend a right to increase transparency—so I urge them not to press their amendments but to enable the Bill to pass to the other place. I look forward to the further progress of the Bill this afternoon.

Wendy Morton: I am very pleased to be able to speak again on my private Member’s Bill. As my hon. Friend has explained, no amendments were moved in Committee on 7 February—the passage of the Bill through Committee was quite swift—so the Bill has been reported to the House unamended.

The amendments tabled by my hon. Friend. The Members for Bury North (Mr Nuttall) and for Christchurch (Mr Nuttall) for Christchurch. I was very keen to listen to their arguments. They have provided some additional scrutiny and additional debate in the Chamber.

I was surprised by the number of amendments—there were 13 or 14—and having brought a private Member’s Bill to the House last year, I wondered whether this was some kind of record. I was assured by my hon. Friend the Member for Christchurch that that was not the case. I accept, as a new Member, that I probably still have a lot to learn. None the less, I am grateful to my hon. Friends for their amendments and for their contributions this morning. As my hon. Friend the Member for Bury North put it, they were succinct contributions.

I listened to my hon. Friends’ contributions and considered their amendments carefully. I am not convinced, however, that the changes would be helpful to what I believe is, at heart, a very simple Bill. The Bill has one purpose alone: to extend the definition of “interested person” to journalists, including citizen journalists. They will have access to a wider range of local audit documents to assist with their investigations, enabling them to publicise their findings, so that local electors are made more aware and are better able to hold their councils to account for their actions through questioning the auditor or making an objection. Much has been said about openness and transparency, and the Bill will make a valuable contribution in that regard.

Let me respond first to amendment 2 and add my thoughts to those aired by the Minister. Amendment 2, tabled by my hon. Friend the Member for Christchurch, seeks to extend inspection rights under section 26 to all UK-registered local electors. This would essentially give the public at large the right to inspect the accounting documents of any local authority in England. The local audit framework already introduces mandatory transparency codes for the very smallest and the largest public bodies. It requires the electronic publication of key financial and other data, so they are available for all to view free of charge. Ministers clearly flagged their intention to extend the right to the specific inspection of accounting information to journalists to assist them in their investigations, but to extend those rights to everyone would vastly expand the potential for mischief making without any wider public benefit.

In addition, to permit anyone to inspect this wider range of accounting information could, I fear, result in a greater cost burden on local authorities, as they might well, to prevent numerous requests to inspect, decide to scan and upload a large amount of additional information every year, with the unintended consequence of making it harder for the man in the street to find basic useful data. I have been very mindful of the burden on local authorities. We must ensure we strike the right balance.

Amendments 3 and 4 also seek to amend who has the right to inspect the accounting documents under section 26, although to a lesser degree. Again, I do not consider these amendments to be desirable. For example, “politician” is a loosely defined term and could open inspection rights to people outside the UK. I have visions of the President of the United States asking to see the accounts of my local authority in Walsall, or even in the local authority in Christchurch. Unlike journalists, whose role is to disseminate information publicly, this would not necessarily be part of a politician’s remit unless it was in their interest. Removing the definition of “journalist” from the Bill would undermine its whole purpose in relation to citizen journalists. Specifically in relation to amendment 4, the courts have
already clarified that a non-domestic rate payer would be considered as an interested person. This amendment is therefore unnecessary.

Broadly speaking, amendments 5 to 8, also tabled by my hon. Friend the Member for Christchurch, seek to refine the definition of “journalist” and remove the rights of citizen journalists and bloggers from the Bill. Although I realise that my hon. Friend is trying to defend the ideal of the fourth estate—the press, as defined by the Scottish philosopher Edmund Burke in the 18th century—I think he needs to recognise that there is now a fifth estate, consisting of networked individuals with the ability to share information, create communities and organise social movements online. It is not possible to turn back the clock. We must accept that many people today obtain their information from non-traditional sources, which is precisely why the Bill includes the concept of a citizen journalist.

The term “citizen journalist” includes bloggers and others who scrutinise local authorities but may not be accredited members of the press—we have discussed that this morning—but that does not mean that it would cover anyone with social media access. The reference in the Bill to “journalistic material” focuses on what a person does, and suggests that such a person would be able to provide details of other blogs or tweets that he or she had authored, and forums in which they had been published, in order to inspect the accounting documents requested. Use of the term “publication” implies a public element. While it might include journalistic documents requested. Use of the term “publication” implies a public element. While it might include journalistic material tweeted on Twitter, it would not include material circulated to a small, “invite only” Facebook group.

Mr Nuttall: I should have covered this point in my speech, and I apologise for not having done so. I do not think we should go solely by that parameter. What if a local Facebook group contains 5,000 local interested residents? Surely that constitutes publication to interested people. It is just as valid as publishing material in a newspaper that no one reads.

Wendy Morton: That is a fair point, but what I am driving at is the difference between a small “invite only” Facebook group, which the Bill will not cover, and a broader, open Facebook group. The Bill is about transparency and openness, not about “invite only” groups.

The definition is also unlikely to include material sent as a direct message via Twitter, Facebook or email. It might be expected to include people such as Guido Fawkes, a blogger whom most of us know of, but not a campaign group such as 38 Degrees or SumOfUs.

I believe that the aim of amendment 1, tabled by my hon. Friend the Member for Bury North, is to clarify the fact that the Bill would cover all journalists who might wish to publish their articles in a newspaper or on the internet, irrespective of whether there were charges. Let me reassure my hon. Friend that the Bill, as drafted, would include an article in a newspaper or magazine or on the internet, either on a website or in a blog, whether paid for or free, through use of the words “journalistic material” and “for publication”. In fact, by specifying where such material is published, he may be limiting the potential forums in which it is placed, as a blog or a tweet may not be part of a specific website.

The issue is important, because it is necessary to keep up with the times and use terminology that incorporates the many and varied realms of the internet, such as Twitter and the “blogosphere”. Some Members may fear that that might mean that anyone could say that they blog or tweet, but the onus would be on such people to show that their work had been made available in a sufficiently public forum in order to prove their credentials as citizen journalists before access could be given.

Mr Nuttall: My hon. Friend refers to a “sufficiently public forum.” How many members of the public would be required to meet that criterion?

Wendy Morton: What I am trying to set out here is the difference between information that goes on to a private forum—such as open Facebook sites, direct emails and Twitter—and the more open social media that citizen bloggers would be proving that they are on. At its heart, this Bill is about giving citizen bloggers access to local government accounts, so that they can put information into the public domain and the electors can then conduct further scrutiny if they so wish.

Philip Davies: I am concerned that we might end up getting ourselves into a muddle. Many journalistic publications are private-subscription: the reader has to subscribe privately in order to get information from The Spectator, for example, so it is not in that sense public. I am therefore not entirely sure why we are distinguishing between a magazine publication that is a private subscription magazine, which it seems to me would still be covered by the Bill, and other private publications that my hon. Friend is seeking to exclude from the Bill. Why cannot we just include everything?

Wendy Morton: There are many sites that do not require a subscription, and I am endeavouring to explain the difference and address the need to ensure that the citizen blogger is someone who is getting information for the greater use of the public, rather than just for a private-only social media group or direct Twitter.

I want to move on now and speak to amendments 9, 10 and 11, also tabled by my hon. Friend the Member for Christchurch. On amendment 9, I recognise that he is seeking to achieve comparability with the rights held by electors under section 25(3) of the Local Audit and Accountability Act 2014. While it is not explicitly included in section 26, because this is a right enshrined in law my view is that a council would be on questionable ground if it tried to charge an interested person to inspect their accounting records, as it would in effect be fettering that right. Furthermore, there are existing powers in the Local Government Act 2003 for an authority to charge for discretionary services—that is, services that it is not under a duty to provide. In facilitating an interested person’s right to inspect documents, an authority would surely not be able to charge, as that person has a right to inspect. In addition, while section 26(1)(b) also gives a right to interested persons to “make copies”, there is no equivalent provision requiring an authority to provide copies to them. This would be a discretionary service, so the authority could be relying on its powers under the 2003 Act to charge for providing copies.
On amendment 10, sections 25 and 26 of the 2014 Act exclude health bodies, because the inspection rights in relation to their accounts do not apply. Health bodies differ in several key respects from other relevant authorities covered by the 2014 Act, not least in the treatment of their accounts, which include separate monitoring arrangements through the NHS and the Department of Health. In addition, the Government's initial stated intention to act in this respect in their 2014 response to consultation did not include health bodies. It would therefore be wrong to extend these rights now. I hope that provides my hon. Friend the Member for Christchurch with some reassurance on amendment 10.

It is my understanding that amendment 11 seeks to extend the right to inspect accounting documents beyond the current accounting year. The primary purpose of these rights at present is to enable the interested persons, which would include a local government elector, to inspect these additional documents so that they have all the information they might need in order to question the auditor and potentially make an objection within the 30 working-day period while the accounts for that year are still open.

Once the accounts have been signed off, the right lapses because the auditor is unable to investigate the question raised or the objection made, so being able to inspect past years' accounting information becomes an academic exercise. I must also point out that the 30-day period is provided for in secondary legislation, which I believe makes the amendment inappropriate. Again I hope that I have been able to clarify the points that have been raised.

Amendments 12, 13 and 14 were also tabled by my hon. Friend the Member for Christchurch. I consider that they go beyond what my Bill is trying to achieve, in that they would tamper with the ability of local authorities to restrict access to commercially sensitive information. It is important that some information, the disclosure of which would prejudice commercial confidentiality, should remain exempt from rights of inspection. Similar provisions exist in the Freedom of Information Act 2000, and I do not believe that my Bill is the right place to challenge those provisions, which could easily be the subject of a separate debate.

Section 26(5) of the 2014 Act sensibly includes the provision that inspection would be permitted if there were an overriding public interest in favour of the disclosure of information that might otherwise prejudice commercial confidentiality. It appears, to me at least, that the legislation strikes a reasonable balance between allowing for the inspection of commercially confidential information that it is in the public interest to disclose and protecting information that it would not be in the public interest to disclose.

This is a straightforward Bill that does exactly what it says on the tin—and on the face of the Bill. I am grateful to my hon. Friends for their contributions, which have given us more to think through, but none of the amendments would add to the Bill's simplicity. None the less, I thank my hon. Friends the Members for Christchurch and for Bury North for their amendments.
whether we can make this Bill a bigger, more substantial piece of legislation than it would otherwise be, so I want to press amendment 2 to a vote.

Question put, That the amendment be made.

The House divided: Ayes 15, Noes 41.

Division No. 187] [12.36 pm

AYES

Brown, rh Mr Nicholas
Campbell, rh Mr Alan
Chope, Mr Christopher
Dowd, Jim
Fitzpatrick, Jim
Glindon, Mary
Hollebone, Mr Philip
Huq, Dr Rupa
Kane, Mike
Knight, rh Sir Greg
McDonald, Andy
Pearce, Teresa
Sherriff, Paula
Smith, Nick
Thornberry, rh Emily

Tellers for the Ayes:
Mr David Nuttall and
Philip Davies

NOES

Argar, Edward
Atkins, Victoria
Donelan, Michelle
Elvis, Michael
Eustice, George
Field, rh Mark
Freer, Mike
Garnier, Mark
Glen, John
Goodwill, Mr Robert
Gummer, rh Ben
Gyimah, Mr Sam
Hancock, rh Matt
Harris, Rebecca
Hayes, rh Mr John
Heaton-Harris, Chris
Heaton-Jones, Peter
Hurd, Mr Nick
Jayawardena, Mr Ranil
Johnson, Gareth
Jones, Andrew
Kennedy, Seema
Kirby, Simon
Latham, Pauline
Mathias, Dr Tania
Milling, Amanda
Milton, rh Anne
Mordaunt, Penny
Morris, James
Morton, Wendy
Mowat, David
Penning, rh Mike
Percy, Andrew
Smith, Julian
Solloway, Amanda
Throup, Maggie
Timpson, Edward
Tomlinson, Michael
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wharton, James

Tellers for the Noes:
Rebecca Pow and
Kevin Hollinrake

Question accordingly negatived.

Third Reading

12.47 pm

Wendy Morton: I beg to move, That the Bill be now read the Third time.

Despite having had some previous success with a private Member’s Bill in this place, it is always special to have brought a Bill to its Third Reading. I am particularly pleased to have been able to introduce this Bill because although, as I have said, it is short and simple, it will have an impact nationally in potentially improving the transparency of local councils. I hope it will have an impact nationally in potentially improving the transparency of local councils. I hope it will have an impact nationally in potentially improving the transparency of local councils. I hope it will have an impact nationally in potentially improving the transparency of local councils.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I congratulate my hon. Friend on piloting this Bill through its many stages in the House of Commons. She is fast becoming a master of these private Members’ Bill Fridays, although she is far too bashful to say so. I believe this worthy Bill will really add something to our statute book.

Wendy Morton: I am grateful to my hon. Friend, who also contributed on Second Reading, for his kind words. I am grateful to all hon. Members who have played a part in the progress of this Bill. If even one journalist or one citizen journalist uses this power to bring poor spending decisions or untoward expenditure to the attention of local electors so that they can ask questions of the auditor or object to their council’s accounts, thus forcing people to account publicly for their spending decisions, this Bill will have done its part.

In conclusion, I thank all those who have enabled me to get my Bill to Third Reading. I thank those who initially supported it, those who contributed on Second Reading, and those who supported me in Committee as well. I also thank everyone present for giving up yet another precious constituency Friday in a week that has not been the easiest in this place, or in this country. I hope that the Bill’s smooth and speedy passage through this place and into the other place continues, and that it becomes law.

12.50 pm

Mr Chope: I, too, congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on having taken the Bill so far. As I said on Report, I do not oppose the Bill. I think it could have been so much stronger and more worth while, but that is how it is. Friday business is iterative in nature: once an issue has been ventilated on a Friday, as sure as eggs are eggs, it is likely to come back on another Friday. Ultimately, the extension of the rights in the Bill to include health bodies and to go beyond journalists is likely to find favour with other Members.

As my hon. Friend said, the Bill is currently limited to extending the powers under section 26 of the Local Audit and Accountability Act 2014 to journalists. We are extending them in a climate in which journalists are under a lot of pressure. Perhaps one exception to that is the fact that a new local newspaper has started in Christchurch this week. The title the Christchurch Times has been revived, and edition one is out this week; I look forward to reading a copy when I get back to my constituency later. That shows that local newspapers are not dying or dead.

Sir Greg Knight: Will my hon. Friend tell the House whether he has any intention of becoming the editor of this publication?

Mr Chope: I am afraid that is commercially confidential. [Interruption.] My hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) says that I am waiting for a better offer. It is really good news that our local news service is going to be strengthened.

Mr Nuttall: I agree with my hon. Friend. Friend the new arrival on the newspaper scene in his constituency is good news. Does he know whether the newspaper in question, being a new arrival, is making use of the new breed of citizen journalists we have been discussing?
Mr Chope: I suspect it is probably going to rely on citizen journalists to send it letters and report to real journalists information that they think the newspaper should investigate. I think it is going to have a responsible attitude to ensuring that the news it prints is properly authenticated and cannot be put in the category of fake news, or news the sources of which have not been properly checked out. I regard it as an example of highly responsible journalism.

I think we will find similarly responsible journalism from the additional reporters who are going to be recruited throughout the United Kingdom as a result of the requirement on the BBC to set aside money to pay for local reporters. As I said earlier, the BBC has set aside £8 million a year to pay for 150 reporters who will work for local news organisations, rather than the BBC, throughout the country. I am sure that those reporters will be professional, accredited and responsible journalists, and that they will add to the scrutiny of local democracy throughout the country.

I know from reports that, unfortunately, not all parts of the country are as well served by their local newspapers as we are in Dorset. There are parts of the country, including constituencies and whole local authority areas, in which no proper newspaper operates—certainly not a daily newspaper and, quite often, not even a weekly newspaper. That means that it is very difficult to hold local authorities properly to account.

I have referred to local stories, but how about this headline from 16 January: "Poole council revamp 'waste of money' before merger"? The story refers to the fact that the council proposes to spend £50,000 on revamping the civic centre when it also proposes that it should be abolished in favour of a council merger. There is another one from Bournemouth: "Council shuts £15 million bank of Bournemouth after issuing just 22 loans", which happened just 18 months after it was created. That was another completely haywire scheme that cost local tax payers a lot of money. Nobody has been properly held to account for it.

I could go on, but will not. The Bill could have been so much better than it is, but it is better than nothing and for that I thank my hon. Friend the Member for Aldridge—Brownhills. I do not know whether it will find favour in the other place in the short space of time it has to consider it. One of my concerns about Bills going through at this late stage in the Session is that, if the other place is minded to amend them—I hope the Lords is minded to amend this Bill in the light of the debates we have had today—it is often inhibited, and therefore intends to legislate at the earliest opportunity to ensure that the definition of "persons interested", and therefore intends to legislate at the earliest opportunity to ensure that the definition of "persons interested", and that they will add to the scrutiny of local democracy throughout the country.

I accept that there is a concern that this might result in those bodies being inundated with requests, as was suggested earlier, but there is no evidence to suggest that that would be the case. I suspect that the answer lies in the legislation, which provides for the bodies to be able to charge for copies of documents that are taken away. We are weighing up two competing interests. The
overriding interest is the interest of the public in knowing what is going on. The alternative is to say, “Well, once the accounts are published, there should be no right for anyone to go in and inspect the underlying documents, the books of accounts and so forth.” I do not think that any of us would want to go down that road. I suspect that what we have stumbled on here is probably the best of the options available to us. I would like to have gone further, but, nevertheless, extending the right to journalists is better than nothing. It is now up to journalists to make use of the new power that will be given to them once this Bill becomes law.

It will be interesting to see whether anybody covered by this Bill actually seeks to do what Bristol council did in respect of the 2014 Act and exclude citizen journalists because they are not specifically mentioned other than in the clause title. I hope that does not happen. If anyone tries to do that, I would refer them to the explanatory notes, which makes it very clear that the term “citizen journalists” should include “bloggers and others who scrutinise local authorities but who may not be accredited member of the press.”

Paragraph 7 of the explanatory notes states:

“As well as accredited members of the press, the term journalist would be extended to cover ‘citizen journalists’, such as bloggers, enabling them to inspect the accounts of a local authority where they are not a local elector so that in publishing their findings they can help enable the public to hold that local authority to account.”

That is the key to the whole Bill. It is about being able to hold elected politicians to account. I trust that when the Bill is considered by the Lords, they will look carefully at the arguments that have been made here and consider whether it is worthy of further amendment. But I hope that the Bill is not amended in the other place unless there is an assurance that the Government will provide time—it will have to be Government time, as there are no more private Members’ days allocated in this Session—for those amendments to be considered.

I thank my hon. Friend the Member for Aldridge-Brownhills for her work in ensuring that the Bill has reached this stage and for the efficient and courteous way that she has handled proceedings. I wish the Bill well.

1.8 pm

Teresa Pearce: I do not intend to make more than a few remarks on Third Reading, as this Bill has the support of the Opposition, the Government and the Local Government Association. It is a short, and welcome, piece of legislation which aims to improve transparency and accountability of local public bodies. In an era in which local newspapers are in many places diminishing and in some places do not exist at all, extending transparency of public bodies benefits all of our local democracy.

Indeed, as we devolve more powers and sometimes even funding to local authorities, there is an ever increasing need for greater transparency. There are many other important Bills to be debated today, so I will draw my comments to a close.

Mr Deputy Speaker (Mr Lindsay Hoyle): I call the Minister.

1.9 pm

Andrew Percy: It is a pleasure, Madam Deputy Speaker—[Interruption.] Mr Deputy Speaker, you have changed.

I am still recovering from the exciting debate on Report. I was delighted to be able to contribute to it, as I was to be able to contribute to the debate in Committee. It is also a pleasure to speak on Third Reading on behalf of the Government and once again to offer our support for the Bill of my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton). I pay tribute to her for getting it this far, and I pay tribute to the other hon. Members who have sponsored and supported it. I associate myself entirely with her comments about how nice it is, after a week that has been difficult for Parliament, to be here looking at the detail of the legislation—doing the job that we are elected to do, and that others tried to prevent us from doing this week.

The Government have supported this Bill from the beginning, and I note the Opposition’s support as well. We have done so because it furthers our ambitions of improving local transparency and accountability by extending this important right to journalists. I pay tribute to the other hon. Members who spoke today, and I associate myself with the comments of my hon. Friend the Member for Christchurch (Mr Chope) about the importance of local newspapers to local transparency and accountability. It would be wrong of me not to mention the excellent work of one of my local papers, the Goole Times, thereby securing my place in it next week. Local newspapers are very important to local democracy and accountability, and I associate myself with everything he said about that.

I will say little more than that, because there is other business to be conducted. I thank my hon. Friend the Member for Aldridge-Brownhills for bringing forward the Bill, and I congratulate her on its passage unamended through this House. We wish the Bill well in the other place. I understand that she has already secured the support of the noble Baroness Eaton of Cottingley. Without wanting to jinx the Bill, I hope that it will pass into law before the end of the Session. In response to the direct question from my hon. Friend the Member for Christchurch, I am not in a position at this time to make any guarantees about future time, should this Bill be amended in the other place, although the Government’s hope and wish is that it will pass through the other place unamended.

Question put and agreed to.

Bill accordingly read the Third time and passed.
Merchant Shipping (Homosexual Conduct) Bill

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

Clause 1

HOMOSEXUAL ACTS IN THE MERCHANT NAVY: REPEALS

1.12 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move amendment 1, page 1, line 4, at end insert—

‘(2) Subsection (1) shall have effect and be taken always to have had effect from 3 November 1994.’

This amendment would make the repeal of sections 146(3) and 147(3) of the Criminal Justice and Public Order Act 1994 retrospective to the date they came into operation.

I hope that the amendment will find favour with the House and with the Bill’s promoter, my hon. Friend the Member for Salisbury (John Glen), whom I congratulate on having taken the Bill so far.

Sir Greg Knight (East Yorkshire) (Con): My hon. Friend is a passionate democrat. Does he not agree that there is something profoundly undemocratic about seeking to make a retrospective change to the law?

Mr Chope: I would not use the term undemocratic. If this democracy decides to make some retrospective legislation, that is an act of democracy, but I agree with my right hon. Friend that retrospective legislation must be very much the exception. In my brief remarks, I will try to spell out why I think that the Bill deals with a special situation. We know that Alan Turing, who had been convicted of a criminal offence, was pardoned by means of a retrospective Act. Subsequent legislation enabled other people who were similarly convicted to apply for their convictions to be effectively quashed.

There are other examples of retrospective legislation, but the interesting thing about the Bill is that it deals with a situation that is almost nugatory anyway. The overview of the Bill in the explanatory notes states:

“Whilst the sections are no longer of any legal effect due to other legislation (primarily, the Equality Act 2010 and regulations made under it), repealing them would both be symbolic and would prevent any misunderstanding as to their current effect.”

That seems to me to put this Bill into a completely different category from the norm of Bills that one would seek to have retrospective effect. This provision no longer has any legal effect because of other legislation. If we accept that the Bill is symbolic, what better symbol could there be than to say that at all material times this provision, which was incorporated into the Criminal Justice and Public Order Act 1994 by a Back-Bench amendment, is deemed to have had no effect? It seems to me that my amendment meets the test of special circumstances—a test that, I am the first to accept, we should always apply when considering whether to countenance retrospective legislation.

1.15 pm

There have unfortunately been a number of recent examples of retrospective legislation being necessary, normally because of what can only be put down to crass errors by the Government of the time. For example, the Mental Health (Approval Functions) Act 2012 was rushed through Parliament because it became apparent that approximately 2,000 doctors dealing with mental health issues had not been properly approved and had participated in the detention of between 4,000 and 5,000 patients in institutions in the NHS and the independent sector without legal authority. That was because of a mistake in the primary legislation. There are a number of other examples, which I am sure some of my hon. Friends will refer to in the debate.

I accept that it should be only in the most extreme circumstances that we make legislation retrospective. As the Bill is essentially a gesture—a symbolic gesture whereby this House can show solidarity with people who would otherwise have been victims of the amendments made during the passage of the 1994 Act—it seems to me that the policy and the legal background make it perfectly reasonable to support the amendment. Paragraph 10 of the explanatory notes, under “Legal background”, says:

“Sections 146(4) and 147(3) were added during passage of the Bill following non-government amendments. The proposer of the amendments was concerned that making the homosexual conduct legal in both the Armed Forces and Merchant Navy might mean that homosexuals could not be dismissed for engaging in it, or that such conduct could not be used as the basis of a prosecution under military discipline.”

Those provisions were saving provisions, which meant that they did not repeal or override other legislation, and other legislation has been introduced to ensure that they have no applicability.

This is a narrow point. I hope that my hon. Friend the Member for Salisbury and the Government will accept the motivation behind the amendment and its contents and will incorporate it in the Bill. That really will tidy up the statute book, because it will have the effect of this provision never having been legislation.

Philip Davies (Shipley) (Con): The amendment moved by my hon. Friend the Member for Christchurch (Mr Chope) is trying to introduce retrospective legislation, as my right hon. Friend the Member for East Yorkshire (Sir Greg Knight) said. Like my right hon. Friend, I am not naturally in favour of retrospective legislation—it is a bit like rewriting history—and I have opposed it in the past. However, as I think I said on Second Reading, the law should never have been put in place, so in that sense I absolutely understand why my hon. Friend the Member for Salisbury (John Glen) wants to make the law retrospective. Many people in the House agree that the law should never have been put in place, so in effect he is neatly correcting that situation.

We should start by looking at the effect of the amendment. I asked the Library, which is always helpful, about its effect. One of its staff said that

“the amendment would have retrospective effect, going back to 1994. The Bill is seeking to repeal law which provides that it would not be unfair to dismiss a seafarer for a homosexual act. The amendment would mean that any dismissal on that basis since 1994 would not enjoy the statutory protection against being deemed an unfair dismissal.”

It went on:

“So far as I can see, the amendment would have no practical effect. Any dismissal of a seafarer for a reason relating to a homosexual act could already constitute sexual orientation discrimination. This has been unlawful, in respect of seafarers,
since at least 2011. Claims in respect of the period before 2011 would be well out of time under, among others, the Limitation Act 1980. As such, any seafarer dismissed since 1994 for a homosexual act would, already, have a claim or be out of time for making one. The amendment/Bill would not change either of those things. It would therefore appear that the amendment is intended as a symbolic gesture.”

We are in the rather bizarre situation that, in effect, the Bill makes no real practical change, because equality laws are already in place, and the amendment moved by my hon. Friend the Member for Christchurch would have no practical impact either. It must be a first that a Bill going through Parliament would make no real difference to the law and that an amendment to it would make no difference to the law either. There may be some historical precedents for such a situation, but I have certainly not been aware of one during my few years in the House.

I suspect that that is, in many respects, my hon. Friend’s case: as the Bill is only symbolic, there is no harm in his symbolic retrospective amendment, even though we may in essence be against the principle of retrospective legislation. In that sense, the amendment is not retrospective, because it will not change the impact of anything. To be perfectly frank, I am not entirely sure where that leaves us. It seems to me that it leaves us wherever people want to be left: you pays your money and you takes your choice. People may want to be a purist, like my right hon. Friend the Member for East Yorkshire, and say, “I will vote against retrospective legislation come what may,” or they may want to take the view of my hon. Friend the Member for Christchurch and say, “As we are dealing with symbolic legislation, there is nothing wrong with retrospective symbolism in the Bill.” I do not know which is right.

I asked the Library to help me with any other examples of retrospective legislation. Under the heading, “What is retrospective legislation?”, the Library briefing on this subject says:

“Retrospective legislation is generally defined as legislation which ‘takes away or impairs any vested right acquired under existing laws, or creates a new obligation, or imposes a new duty, or attaches a new disability in respect to transactions or considerations already past’.

Mr Chope: If my hon. Friend pauses to look at this again, he will see that, under that definition, the amendment would not be retrospective legislation, would it? The amendment would not take away or impair any vested right that has been acquired under existing laws, would not create a new obligation, would not impose a new duty and would not attach a new disability in respect to transactions or considerations already past.

Philip Davies: I can tell why my hon. Friend was such a successful lawyer. He is now getting into legalistic lawyer jargon that is way above my head as a poor former retailer. He goes way beyond my knowledge base. I am sure he has justified that to himself, but I am not sure that I quite understand it.

The “Oxford Dictionary of Law” states that retrospective legislation “operates on matters taking place before its enactment, e.g. by penalising conduct that was lawful when it occurred. There is a presumption that statutes are not intended to have retroactive effect unless they merely change legal procedure.”

The last time, as far as I can see, that the Government set out their policy on retrospective legislation was when somebody put a parliamentary question to the last Labour Government. The then Solicitor General said:

“The Government’s policy before introducing a legislative provision having retrospective effect is to balance the conflicting public interests and to consider whether the general public interest in the law not being changed retrospectively may be outweighed by any competing public interest. In making this assessment the Government will have regard to relevant international standards including those of the European Convention for the Protection of Human Rights and Fundamental Freedoms which was incorporated into United Kingdom law by the Human Rights Act 1998.”—[Official Report, 6 March 2002; Vol. 381, c. 410W]

I mention that because in some respects that backs up my hon. Friend’s position. In effect, it says that the Government’s position is a matter of looking at the public interest. My hon. Friend rightly says that there is no public interest in not making the legislation retrospective, so in some respects that adds some lustre to his argument.

The Library provided other examples of retrospective legislation:

“Statutory Instruments (Production and Sale) Act 1996, which amended the Statutory Instruments Act 1946 to validate retrospectively and authorise prospectively the printing of statutory instruments by contractors working for HMSO.

Caravans (Standard Community Charge and Rating) Act 1991 which amongst other provisions excluded caravans from the definition of ‘domestic subjects’ in the Abolition of Domestic Rates Etc. (Scotland) Act 1987 and deemed the amendment to have had effect since 1 April 1990.”

It cites the Compensation Act 2006 and states:

“The Scotland Act 2012 provided that the regulation of activities in Antarctica should be treated as having been reserved to the UK Government from the beginning of devolution, even though it had not been reserved in the Scotland Act 1998.”

Mr David Nuttall (Bury North) (Con): My hon. Friend has moved on to 2012, but prior to that the Finance Act 2008, specifically section 58, was changed retrospectively to frustrate a tax planning scheme. This affected many constituents across the country, including some of my own, very badly.

Philip Davies: My hon. Friend is absolutely right. Examples of retrospective legislation are quite interesting. The reason I chose the examples I mentioned—my hon. Friend, as ever, is on the ball and threw another one into the melting pot, although I would put it in a slightly different category—is that in effect they were trying to correct things back to what should always have been the case. I think that, in many respects, that was much more of an outrage than the example given by my hon. Friend. The Acts that I have cited were, in effect, tidying up the law so that it was as it always
should have been. My hon. Friend the Member for Christchurch was on to something when he said that that should always have been the case. A mistake was made in the first place and needs to be corrected, and we need to go back to the beginning in order to correct it. I was trying to use examples that would support my hon. Friend’s case, and I felt that the ones that I used did that. My hon. Friend was right to give the example that he gave as well.

1.30 pm

There are other examples of retrospective legislation, but I shall not bore the House by going through all of them, because there are quite a few. However, when the Government last responded to the Bill they asked us to look at the European convention on human rights, and I happened to see the rules against retroactivity in article 7. I am sure that, as a former member of the Council of Europe, my hon. Friend the Member for Christchurch is an expert on this; he will certainly know more about it than me.

Article 7 states:

“No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed... This Article shall not prejudice the trial and punishment of any person for any act or omission which, at the time when it was committed, was criminal according to the general principles of law recognised by civilised nations.”

We are also told:

“That criminal laws cannot have retrospective effect, has been a longstanding rule of English law: someone can only be guilty of crime if he commits an act which the law expressly, and certainly, forbids at the time he does it. Where, for example, the trial judge held that certain penal provisions of the Immigration Act 1971 had retrospective effect, the conviction was quashed. The European Convention on Human Rights, prohibits not only the legislative creation of offences which are retrospective, but also the retroactive application of common law offences in order to cover conduct which would not previously have been regarded as a crime.”

Although I entirely share my hon. Friend’s view, I think we are in danger of—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We are also in danger of talking about criminal law. I know that the hon. Gentleman is very good on the detail of the Bill, and wants to return to it.

Philip Davies: You are exactly right. Mr Deputy Speaker. I was sidetracking myself. Let me return to the principle of retrospective legislation.

The Alan Turing (Statutory Pardon) Bill is, in many respects, from the same stable as this Bill. During its very short and sweet Third Reading in the House of Lords, the great Lord Tebbit made a pertinent point. He said that he had “no intention of obstructing” its progress, but added:

“As it continues on its journey towards the statute book, though, there is something that should be said. As we know, Mr Turing committed, and was convicted of, an act that would not be a crime today. So have many others, and many other crimes have been committed similarly. I hope that the Bill will not be used as a precedent. Even more, I hope that we will never seek to extend the logic of the Bill to posthumously convict men of crimes for acts that were not criminal when they were committed, but would be if they were committed today. There is a dangerous precedent within this Bill.”—[Official Report, House of Lords, 30 October 2013; Vol. 748, c. 1584.]

I think that the warning given by Lord Tebbit then is very relevant to the Bill that we are discussing today, and that is the particular issue that I have with it.

Mr Chope: Both the quotation used by my hon. Friend that caused you to intervene, Mr Deputy Speaker, and the quotation that he has just used relate to criminal retrospection. Does he accept that the Bill is not about criminal retrospection?

Philip Davies: I do accept that.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I hope you are not going to enter into a debate on this.

Philip Davies: No, I am not going to defy your ruling in any way, Mr Deputy Speaker; I would never do that, as you well know.

Mr Deputy Speaker: Order. Mr Chope will always try to lead you off your objective, and we do not want him to do that.

Philip Davies: I suspect that you are right about my hon. Friend. Friend the Member for Christchurch, Mr Deputy Speaker; he has been leading me astray for many years now.

The serious and relevant point that I want to make is that the principles in many respects remain the same. I accept that there is the difference in terms of the criminal law that my hon. Friend outlines—and that you outline, Mr Deputy Speaker. The point I was trying to make—perhaps in a ham-fisted way—is that the principles are similar in terms of retrospective legislation and whether we should go down that route.

In conclusion, I support the Bill and am all for changing the law on this, and I still maintain today that this law that my hon. Friend the Member for Salisbury is rightly dealing with should never have been the law; it was an absolute outrage that it ever was the law of the land, and I am all for changing it. But I am concerned that there might be, not necessarily unintended consequences, but unintended precedents set by trying to change it retrospectively.

Sir Greg Knight: Does my hon. Friend agree that the essence here is that we should not be seeking to pass provisions that are retrospective unless there is a compelling reason to do so, and where our hon. Friend the Member for Christchurch (Mr Chope) has failed is in explaining what is compelling about his amendment?

Philip Davies: My right hon. Friend sums it up perfectly. There are two ways of looking at this. One of them is the way he looks at it, which is that we should not pass retrospective legislation unless there is a compelling reason to do so. My hon. Friend the Member for Christchurch appears to be taking the view that we should not pass it unless there is a good reason not to. We seem to be on opposite sides of the coin, and I am with my right hon. Friend on this: unless there is a cast-iron reason why we should pass retrospective legislation, we should avoid doing so in case it sets some dangerous
precedents further down the line, and my hon. Friend has clearly not met that test. Therefore, even though I have absolute sympathy with what he is trying to do and agree with the sentiment behind his amendment, I urge Members to resist it on this occasion and leave the Bill as it is.

John Glen (Salisbury) (Con): I am sincerely grateful to my hon. Friend the Member for Christchurch (Mr Chope) for tabling this amendment; I understand his honourable intentions behind it, and I have carefully reflected on it over recent weeks. My hon. Friend has put his case well, and I acknowledge the attraction of the logic, which says, “If we think this should not be on the statute book now, do we think it should never really have been there in the first place?”

I also acknowledge the deep injustice that an individual would feel in being dismissed under provisions that are later superseded. That injustice has been tackled in the other cases of legislation penalising homosexual activity, for example in the Turing clause in the Policing and Crime Act 2017, which allowed for the pardon of those convicted of sexual acts that are no longer illegal.

There may be a place for providing some level of redress or apology to those who were dismissed from the merchant navy on grounds of homosexual conduct, but that cannot be provided for in this Bill. That is because a system of redress would need to be carefully designed and calibrated, in a similar way to the Turing provisions, to ensure that acts that are still cause for dismissal were not eligible for apology or compensation. Sadly, the capacity for the scrutiny that such legislation would require does not exist within the tight timings involved in the private Member’s Bill system.

However, in the absence of a full system for investigation and redress, a retrospective repeal creates unnecessary legal ambiguity over dismissals that would clearly have been legal at the time without creating a clear opportunity for redress or apology. As I have said, the aim of this Bill has always been to create clarity and certainty going forward, and that aim would be frustrated if we were to create an ambiguity about the legality of some possible dismissals until the provisions were legally superseded by the Equality Act 2010.

I also have a deeper concern, however. As has been discussed, the House has generally been extremely cautious about any form of retrospective legislation, and particularly so in the case of legislation that creates an offence or penalty where none existed at the time—something that is deeply inconsistent with the rule of law. As I have said, my hon. Friend’s amendment could retrospectively render the actions of merchant navy employers illegal.

Retrospective legislation has occasionally been used, very sparingly, to validate or authorise retrospectively actions that were illegal at the time. The motivation for including sections 146(4) and 147(3)—which would be repealed by my Bill—in the Criminal Justice and Public Order Act 1994 was to enable merchant navy employers to dismiss seafarers for homosexual conduct even though the 1994 Act decriminalised such conduct. We need to remember that the relevant sections apply to employers and not to seafarers. The amendment proposed by my hon. Friend the Member for Christchurch does not authorise conduct found to have been illegal at the time, and therefore does not fit with recent precedents of retrospective legislation.

My hon. Friend the Member for Christchurch has discussed with me privately the one rare possible precedent in which criminal liability was created retrospectively, through the War Crimes Act 1991. With respect to him, I have looked into the matter carefully and found that that Act allowed domestic criminal proceedings to be brought against British citizens who had committed war crimes in Germany during World War Two. That was because there was no provision for the extradition of British citizens to face international law proceedings. The Act was a response to a practical problem of the operation of international law, where an offence already existed. I do not believe that my hon. Friend’s amendment falls into that category. I respect the fact that he did not mention it this afternoon, and I want to express my respect for his having a conversation with me on the matter. I contend that the amendment is not covered by that precedent.

I have two more practical concerns. The first is that the other place has perhaps even more discomfort with retrospective legislation than does this House. That was demonstrated during the passage of the War Crimes Act 1991, which the then Government had to use the Parliament Act to enact. I worry that, if the amendment were carried, the Bill would be amended again in the Lords and then lost altogether, as there would be no days available for ping-pong.

My second point is that, during the passage of the Bill I have enjoyed the warm support of the Government. The Department for Transport has kindly provided the explanatory notes to the Bill. I understand that the Government do not sponsor any retrospective legislation unless a lengthy procedure is undertaken to examine all possible effects. I have been told that they will undertake no such procedure in this case. I fear that the Bill could be lost without the support of the Government.

I should like to thank my hon. Friend the Member for Christchurch for tabling his amendment and for the serious scrutiny that he has undertaken of this Bill and others. I should like to express my sincere respect for his intentions in doing so, but I also appeal to him to withdraw his amendment so that we can pass a Bill that provides legal clarity and certainty in the place of ambiguity.

Andy McDonald (Middlesbrough) (Lab): Let me begin by briefly addressing the amendment to clause 2 of the Bill made in Committee, which we supported there. It is right that the Bill should come into force immediately upon receiving Royal Assent, rather than at the end of two months. The sooner this change to the law is made, the better. In that spirit, let me move straight to the amendment tabled by the hon. Member for Christchurch (Mr Chope). Labour appreciates that the amendment is well intentioned. We also acknowledge that it is, in principle, certainly right to seek redress for any members of the merchant navy who were dismissed on the ground of homosexual conduct between the passing of the Criminal Justice and Public Order Act 1994 and the Equality Act 2010. None the less, retrospective legislation is set into law only in rare and exceptional circumstances, and we do not believe, on this occasion, that voting for this amendment to the Bill would be appropriate.

My hon. Friend the brilliant Member for Cambridge (Daniel Zeichner) pointed out in Committee that, as the provisions to be repealed are now legally null and void,
this Bill is a simple, symbolic gesture that will tidy up existing legislation. Accordingly, the Bill does not aim to provide redress for those members of the merchant navy affected by the provisions to be repealed, so the amendment tabled by the hon. Gentleman does not fit with the purpose of the Bill. Labour will therefore not be supporting the amendment today.

The Minister of State, Department for Transport (Mr John Hayes): Seneca the Younger said:

“If one does not know to which port one is sailing, no wind is favourable.”

It is certainly true that in my hon. Friend the Member for Salisbury (John Glen) knew exactly to which port he was sailing when he introduced this Bill, and I congratulate him on his hard work and persistence. It is an important measure that puts right a wrong. I also thank my hon. Friend the Member for Christchurch (Mr Chope) for his thought and diligence. As the hon. Member for Middlesbrough (Andy McDonald) said and for the reasons set out in the thoughtful contribution of my hon. Friend the Member for Salisbury, it is understandable that we should wish that this Bill had been introduced earlier than it has been.

I am strengthened in that view by this final, short point. Between 1994, when the Criminal Justice and Public Order Act came into existence, and 2003, when the Employment Equality (Sexual Orientation) Regulations came into force, it is possible that some number of people were dismissed from ships because of their sexuality. They may have taken legal advice at the time and may have been told—sadly, but entirely properly—that there was nothing that could be done about that. Making the Bill retrospective would not change that answer, however sad that is, for the reasons that I have explained, but I would rather save those people from thinking otherwise and from having to take legal advice all over again only to be frustrated. While appreciating the reasons why my hon. Friend the Member for Christchurch suggested the change in his amendment, the Government cannot support it, and I ask him to withdraw his amendment, as my hon. Friend the Member for Salisbury has already done.

I will finish with this. It has been said that “A sailor is not defined as much by how many seas he has sailed than by how many storms he has overcome.” Let us hope that some sailors will encounter fewer storms in life’s seas as a result of what my hon. Friend the Member for Salisbury has brought to the House’s attention.

Mr Chope: We have had an excellent, high-quality debate on this issue, and I have listened carefully to the points that have been made. I am indebted to my hon. Friend the Member for Salisbury (John Glen) for having considered the amendment so seriously. He went to a lot of effort, and we have been in discussions about it. I heard what my hon. Friend the Member for Shipley (Philip Davies) said and noted his public torment about whether to support the amendment. Ultimately, I am persuaded by my hon. Friend the Member for Salisbury and by the Minister that if we make the measure retrospective, it might cause uncertainty for those people—we know who they are—who were dismissed from the merchant navy between 1994 and the time when such grounds for dismissal became unlawful under other legislation. I would not want to achieve that objective, which would be an unintended consequence.

I am with all those hon. and right hon. Members who deplore retrospective legislation, and this debate has been useful in securing from the Government and others a reaffirmation of our disgust and our rejection of the principle of retrospective legislation, even to the extent that we will not make symbolic legislation retrospective. This has been a useful exercise.

I beg to ask leave to withdraw the amendment.

Third Reading

1.51 pm

John Glen: I beg to move, That the Bill be now read the Third time.

I will not detain the House for long. I am grateful to have reached this point, and I wish the Bill Godspeed as it is sent to the other place. As hon. Members have noted throughout its passage, the Bill is short and simple. However, what it symbolises and the lasting impact it will have are about more than the repeal of
sections 146(4) and 147(3) of the Criminal Justice and Public Order Act 1994. The Bill sends the important message that, when it comes to employment in this country, what matters is a person’s ability to do the job, not their gender, age, ethnicity, religion or sexuality. By passing the Bill we make a clear statement that employment discrimination on the basis of sexual orientation has no place in our country. We should not underestimate the importance of that statement.

Looking back at the Bill’s previous stages, I am sure that hon. Members will recall the powerful speech made on Second Reading by my hon. Friend the Member for Milton Keynes South (Iain Stewart) and his moving remarks on how legislation previously left him feeling unable to pursue the career of his choice. We want to send a clear message to younger generations, and to anyone who might have been confused upon reading the 1994 Act, that sexual orientation is not a basis for employment discrimination in the merchant navy or anywhere else.

I am pleased that the Bill is supported by hon. Members on both sides of the House, and that they have noted the important reassurance and clarity that it provides. I thank hon. Members who served on the Public Bill Committee, particularly my hon. Friend the Member for Corby (Tom Pursglove) for his helpful input on an amendment. The Bill will now come into force on the day it becomes law, further reinforcing the House’s commitment to the principles on which the Bill stands. I also thank my right hon. Friend the Minister for his support throughout the Bill’s passage.

Finally, it only remains for me to wish the Bill safe passage as it now goes to the other place, which I hope will share the conviction of this House that employment discrimination on the basis of sexual orientation is wrong and that it is time for the entirety of our statute book fully to reflect that reality.

1.53 pm

Philip Davies: I congratulate my hon. Friend the Member for Salisbury (John Glen) on this Bill. He is one of the most diligent people in the House, and he is also one of the nicest. It is a pleasure to be here to support his Bill, for which I reiterate my support and note that it has support from both sides of the House.

Although the Bill is, in effect, a tidying-up exercise that will not make a lot of practical difference, it is right that we only have laws on the statute book that are enforceable and justifiable, and what the Bill seeks to clear away from the statute book is unjustifiable.

As I said on Second Reading, this Bill is about dealing with things that should never have been illegal in the first place. When we talk about things such as gay rights the tone can sometimes be as though we are doing people a favour, but it is nothing to do with that, as these things should never have been illegal in the first place; it is about making it clear that some things that are on the statute book were wrong and we have to make a point of removing them. It is certainly not about doing anyone any favours and we should not make it sound as though it is.

Clearly, the sections the Bill addresses have been superseded by other legislation, specifically the Equality Act 2010. Interestingly, the Bill should never have been needed, because this matter should have been dealt with in its entirety when the 2010 Act was introduced. I asked the House of Commons Library whether it would have been possible to deal with the matter then and was told that it would have been within the Equality Bill’s scope. Such an omission has meant that we needed to produce an entirely new Bill simply to correct the position. In many respects, that is unfortunate, but I am delighted that my hon. Friend has taken the opportunity to correct it.

Rightly, this Bill has received proper scrutiny, on Second Reading, in Committee and again on Report today. This is a small Bill, but that does not mean it should not get the same scrutiny that big Bills do. I am grateful that we have had the opportunity to give the Bill proper scrutiny, because it should never be easy to get legislation through Parliament. My hon. Friend has approached the Bill in exactly the right way and spirit, taking on board people’s comments and looking into them all diligently. I commend him on doing that, as this has been a model of how people should take a private Member’s Bill through Parliament. I am very pleased to be able to support him today, and I hope the nature of the Bill means it will sail through the House of Lords quickly, too.

1.56 pm

Andy McDonald: I will keep my comments brief, as the point I wish to make is straightforward and does not require a lengthy speech. Labour Members wholeheartedly support this Bill and what it represents, and I congratulate the hon. Member for Salisbury (John Glen) on introducing it. By doing so, he has focused our attention on anachronistic and unfair provisions from the Criminal Justice and Public Order Act 1994, which suggest that it would be lawful to dismiss a seafarer for a homosexual act. This Bill would remove ambiguities surrounding whether it is legal to dismiss a seafarer on the basis of such an act, but, as has been pointed out, the discriminatory provisions targeted by the Bill have been superseded by current equality legislation, primarily the 2010 Act.

The Bill is therefore, ultimately, symbolic, but importantly so, as we should not underestimate the importance and power of symbols. We believe that this Bill, which would amend legislation to better reflect the values of equal rights to which we now adhere, is a powerful symbol, and Labour Members are pleased to give it our support.

1.58 pm

Mr Hayes: Nothing I say will either better the persuasive advocacy of my hon. Friend the Member for Salisbury (John Glen) or add to the straightforward certainty about this Bill’s virtues. Quite simply, it speaks for itself.

Question put and agreed to.

Bill accordingly read the Third time and passed.
Guardianship (Missing Persons) Bill
Consideration of Bill, not amended in the Public Bill Committee

Clause 1
MISSING PERSONS

1.58 pm

Philip Davies (Shipley) (Con): I beg to move amendment 1, page 1, line 19, leave out subsection (4):

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 2, in clause 2, page 2, line 17, at end insert—

'(2A) Before hearing an application for a guardianship order the court may require the applicant to take such further steps by way of advertisement or otherwise as the court thinks proper for the purpose of tracing the missing person.'.

Amendment 3, in clause 3, page 2, line 27, leave out "90 days" and insert "6 months".

Amendment 4, in clause 7, page 5, line 18, leave out "4 years" and insert "2 years".

Philip Davies: Let me set out from the start that these are probing amendments and I do not intend to push any of them to a Division. By anyone’s admission, this is quite a meaty Bill, running to 25 clauses, but we have had no scrutiny of it in the Chamber. It received its Second Reading on the nod, without any debate whatsoever, and here we are, with time pressing on, and we have had no opportunity before now to debate any of its provisions. I therefore tabled some probing amendments to tease out from my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) why some of the Bill’s provisions—the timescales, for example—are as they are.

Amendment 1 would remove subsection (4), which states:

"A person who is detained, whether in a prison or another place, is to be treated for the purposes of this Act as absent from his or her usual place of residence and usual day-to-day activities.”

I want to tease out from my hon. Friend the reasoning behind the subsection, because there was no scrutiny of it on Second Reading.

In passing, I should say that we are discussing the Guardianship (Missing Persons) Bill, and a Missing Persons Guardianship Bill is going through the House of Lords. I am not sure whether that Bill’s provisions are different from this Bill’s, but perhaps Members in the other place are trying to achieve the same thing.

In 2014, the Government held a consultation entitled “Guardianship of the property and affairs of missing persons” in which, as far as I could see, the issue addressed by subsection (4) was not mentioned once. Furthermore, I checked the reasoning behind the inclusion of the subsection with the House of Commons Library, but the staff there confirmed that they had not been able to find out anything about its background. They could not explain why it was in the Bill, beyond its inclusion as an example.

After speaking to Library staff at further length, they said:

"The Bill defines a missing person as someone who is absent from their usual place of residence or their usual day-to-day activities. The reason for being absent may be because the person is detained. However, in addition, as in other cases, the first or second condition set out in subsections (2) or (3) must also be met. In most cases, the first condition is likely to be relevant—that is, that the person’s whereabouts are not known, or not known with sufficient precision to enable contact to be made.”

That was the Library’s explanation of why the subsection might be in the Bill but, given that the staff there were not entirely clear about it, I thought it important to table an amendment so that we could hear my hon. Friend explain it at first hand. That is why I see it as a probing amendment.

Amendment 2 would insert into clause 2:

"Before hearing an application for a guardianship order the court may require the applicant to take such further steps by way of advertisement or otherwise as the court thinks proper for the purpose of tracing the missing person.”

That would ensure that all reasonable steps had been taken to try to locate the missing person.

Sir Greg Knight (East Yorkshire) (Con): On reflection, does my hon. Friend agree that the court probably has that power anyway? Someone seeking to obtain an order must surely have to show the court that they have taken all reasonable steps to discover where the missing person is.

Philip Davies: I very much hope that my hon. Friend the Member for Thirsk and Malton will be able to confirm that, which is why I described the amendment as a probing one. I want it to be clear, on the record, that that is the case, because it was not entirely clear from looking through the Bill. I hope that my right hon. Friend the Member for East Yorkshire (Sir Greg Knight) is right—I am sure he is—but, as I said, it is a probing amendment so that we can get it confirmed on the record.

Rebecca Pow (Taunton Deane) (Con): My hon. Friend is making a valid point, but as far as I understand it good systems are already in place to determine whether a person is missing and all that side of it. There is, however, no system for looking after their estate or anything that they own if they are declared missing. The Bill is about helping the people left at home to deal with the property or the estate, or, indeed, to deal with the hardship that they might be facing because they cannot access funds or money, or get into the house and all those sorts of things. It therefore seems eminently straightforward and sensible.

Philip Davies: My hon. Friend is right. She is referring to the principle of the Bill, which I absolutely support. I do not intend to do anything to stop the Bill proceeding—that is not the point. The point I am making is that we are looking at the detail, and I want to ensure that we get it right. All hon. Members support the principle of the Bill. I do not want to scupper or affect the principle—she and I are as one on that. The purpose of the amendments is to ensure that we are happy that the details are right, because it is quite a chunky piece of legislation that deserves such scrutiny.

Amendment 2 is based on a requirement in the Leasehold Reform, Housing and Urban Development Act 1993—I do not know whether I need to refer hon. Members to my registered interest as a landlord, but I have now done so—section 26 of which addresses applications when the relevant landlord cannot be found.
Similar legislation elsewhere in the world contains similar requirements before a guardian can be appointed, including in three Australian states—New South Wales, Victoria and the Australian Capital Territory—which set out a process under which an individual can seek to be appointed to manage the affairs of a person who is missing. There is a similar provision in Canadian law. That is the purpose behind the amendment. I want to ensure that we are happy that we have the detail right.

As hon. Members can see, amendment 3 would increase the amount of time from 90 days to six months for which an individual must be missing before a guardian can be appointed. This was specifically designed as a probing amendment, because it was the only way I could think of to tease out from my hon. Friend the probing amendment, because it was the only way I could think of to tease out from my hon. Friend why he set 90 days as the limit. The only way I could think of doing that was to propose an alternative. My alternative is six months, and I wonder whether 90 days is too short a time.

Kevin Hollinrake (Thirsk and Malton) (Con): I am grateful for my hon. Friend’s scrutiny of this important legislation. He mentioned other territories around the world that use such legislation—New South Wales, Victoria and British Colombia—all of which use that 90-day period. It is therefore a sensible starting point.

Philip Davies: I have read the consultation, to which there were 40 responses, of which eight commented on the proposal that applications should be made only after 90 days. Some of the responses said that 90 days was too long—I accept that—but practical points on timing were made, including by the Finance and Leasing Association, which had concerns about the 90 days. The consultation response therefore states:

“We accept that the 90 day period may create problems in some cases, but are also conscious that over-hasty applications may result in unnecessary expenses being incurred.”

The period is 90 days and not 60 or 100, so I am seeking the rationale for 90 days. My hon. Friend was helpful in his intervention and has made it clear why he has gone for 90 days, and I am grateful to him for that.

As hon. Members can see, amendment 4 would reduce the maximum period of guardianship from four years to two years. Clause 7 sets out the period of guardianship and requests that the period for which the guardian is appointed be stated in the court order. The maximum possible is four years, and I propose to halve it. Again, I am trying to tease out from my hon. Friend why he believes four years is right, and why the period should not be longer or shorter. I can see the attractions of making it longer to avoid people having to go back time and again, given the cost of doing that. I was not sure whether the primary purpose was to avoid that or there was another rationale as to why four years was the appropriate time.

Mr Christopher Chope (Christchurch) (Con): My concern arises from the same issue, and it is what happens when a missing person is found. That does not automatically negate the guardianship, as I would have hoped that it would, and is an argument for saying that the guardianship should be for a shorter period. Otherwise, as soon as somebody is found, the guardian will have to apply to the court to end the guardianship before they can again be treated as a normal person.

Philip Davies: My hon. Friend makes a good point. That is why I proposed a shorter period rather than a longer one.

Sir Greg Knight: I think that my hon. Friend has inadvertently misled the House. As I read the Bill, the term of four years is a maximum, and the court has power to make an order for any length of time up to four years.

Philip Davies: Yes, that is right. If I did mislead the House, I certainly did not intend to. I thought I had made it clear that it was a maximum of four years, but if I did not, I apologise to my right hon. Friend and to the House. He is right: it is a maximum, and it does not need to be exactly that. However, that does not necessarily overcome the point made by my hon. Friend the Member for Christchurch (Mr Chope) that a decision for four years could be made in good faith and is then superseded, possibly causing an issue.

Again, I pray in aid the consultation on these matters. It received a range of views on the appropriate duration of guardianship appointments. Two respondents said they agreed with the proposed maximum term of four years, while there were suggestions from four other respondents, including for a shorter period of just one or two years, with one proposal of eight years. Perhaps my hon. Friend the Member for Thirsk and Malton is saying that we should split the difference and go for four years, and that is the consensus—I do not know. As I said, there are examples in other countries. In Victoria and the Australian Capital Territory, the administrator or manager is appointed initially for up to two years, which can be extended for a further two years. I wonder whether that might have been a more sensible way of going about it. It is the same in Irish law, with an initial two years that can be extended for a further two years. That might be better than a straight four years right from the word go.

My amendments are in no way seeking to cause any problems for the Bill; they are simply to give it some scrutiny that up to this point it has not had, as I am sure my hon. Friend will be the first to concede. Legislation does deserve some scrutiny, particularly when it is as meaty as this. I look forward to his and the Minister’s response to the issues I have raised and their explanations for some of the details in the Bill.

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): I am keen for this Bill to progress.

Amendment 1 relates to the definition of when a person is missing for the purposes of the Bill. The amendment would remove clause 1(4), which relates to the absence of the missing person. Without that subsection, it would be unclear whether, for the purposes of the Bill, the person detained in prison or otherwise would be treated as being “absent from his or her usual place of residence and usual day-to-day activities.”

Amendment 2 addresses a different aspect of the question of whether a person is missing for the purposes of the Bill. First, the Bill already provides in clause 20(1) that the application must be advertised in accordance with the rules of the court. The subsection provides that “notice of the application and any other information specified by rules of court” must be sent “to the persons specified by rules of court”.

"absent from his or her usual place of residence and usual day-to-day activities."
[Mr Sam Gyimah]

Secondly, the procedure for hearing the application will be governed by rules of court. Those rules have not yet been written, but they will specify the information that needs to be provided to the court with the application. That is likely to include a requirement that the application is supported by evidence of the various issues on which the court must be satisfied before it can make a guardianship order in accordance with the Bill.

2.15 pm

Amendment 3 relates to the question of how long a person must be missing before an application can be made for the appointment of a guardian. I appreciate the concern of my hon. Friend the Member for Shipley (Philip Davies) that guardianship orders should not be granted lightly or with undue haste. However, extending the period to six months would be excessive. The question of the length of the period of absence was raised in the Ministry of Justice in 2014 in its consultation on guardianship. The suggestion of 90 days was well supported there. The main alternative suggestion from consultees was that of a shorter period, as my hon. Friend rightly mentioned.

Amendment 4 relates to the length of time for which a guardian can be appointed. It would change the maximum period for the appointment of a guardian from four years to two years. Again, I appreciate my hon. Friend’s concern that guardians should not lightly be given an extended period of authority over the property and financial affairs of a missing person. Giving one person authority to deal with the property and affairs is also a very serious step. There is absolutely no reason why the maximum period of appointment—it is the maximum—must be four years. International practice varies: some jurisdictions leave the length of time to the court, but others apply a maximum. The four-year period was well supported in the consultation.

In summary, the four-year period is a maximum, and even when it is applied, it can be cut down if circumstances so require. A two-year maximum could be unduly restrictive and result in unnecessary expense for those affected. In the light of that explanation, I hope that my hon. Friend will withdraw his amendment.

Philip Davies: I am very grateful to the Minister for his explanation. We have not yet heard from my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), the promoter of this Bill, on whether he endorsed the Minister’s points.

Kevin Hollinrake: I am grateful to my hon. Friend for giving way. The Minister laid out his responses in a very comprehensive fashion. I have nothing significant to add. My hon. Friend the Member for Shipley (Philip Davies) talked about the other Bill in the House of Lords. That Bill would not be required if this Bill passes through this House today. He mentioned removing clause 1(4). This deals with a situation in which somebody is detained as a hostage or something similar. Terry Waite springs to mind, as he was could not be contacted for five years.

Philip Davies: I am very grateful to my hon. Friend for that addition to the Minister’s explanation. I absolutely accept the points that have been made. It is important that we had them put on the record, and that we teased out from the Government why they set the rules as they have. I am sure that that will be useful for people to know. Therefore, I am happy to withdraw my amendment. Amendment, by leave, withdrawn.

Third Reading

2.18 pm

Kevin Hollinrake: I beg to move, That the Bill be now read the Third time.

I thank all hon. Members for their contributions, particularly my hon. Friend the Member for Shipley (Philip Davies) for his detailed scrutiny of this very important Bill, and the members of the Bill Committee. I very much hope that the Bill will pass swiftly through this House and the House of Lords.

Many times in this House, we get involved in different issues for many different reasons. My reason for being involved in this issue is to do with Mr and Mrs Lawrence, who have a deep connection with my constituency and who are sitting in the Public Gallery today. Their daughter, Claudia, went missing eight years ago this very week in tragic circumstances. There is still no explanation for her disappearance. In addition to the trauma, anxiety and stress of the situation, the Lawrences discovered in those early weeks that they were unable to deal with Claudia’s financial affairs because of contract and data protection law.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I congratulate my hon. Friend on safely navigating this important Bill thus far. He cites the example of his constituent. Has he made an assessment of how many of our other constituents across the country may benefit from his excellent piece of legislation?

Kevin Hollinrake: Believe it or not, 370 people go missing every single day in this country. Not all of them will require these provisions, but many will. It is an important piece of legislation, and many people have campaigned to get it on the statute book. That includes, of course, Mr and Mrs Lawrence and the campaigning organisation Missing People, which is keen to have this legislation to support people in similar circumstances.

When I tell people that it is not possible to manage the affairs of a missing person, most of them think that is an incredible situation. Why is that? I think that they feel that way because in similar situations—for example, if a loved one passes away, or if someone has dementia or mental incapacity—other legislation can help, but that is not true for a missing person. For months or years, it is not possible to deal with the mortgage company, the landlord, utility companies, insurance companies and so on, because they simply cannot speak to anyone about the missing person’s affairs. That costs money for the missing person’s estate and, more critically, their dependants. Quite often, the missing person will have dependants, who need to be looked after.

I am grateful for the great support from across the House for the Bill, and I am grateful to the Government for their support. I thank our excellent Ministers and the organisation Missing People. I am grateful to my hon. Friends who are in the House today and to my hon. Friends the Members for York Outer (Julian Sturdy)
and for Selby and Ainsty (Nigel Adams) who worked so hard on the legislation before I did. It is very much a team effort. I was in the right place at the right time when it came to taking the legislation forward, and it is a great pleasure to do so.

I have one important thing to add. This is a simple piece of legislation, and it will fill the gap in the existing law. As a testament and tribute to Mr and Mr Lawrence and their endeavours—their hard work and commitment to championing the cause of guardianship, their eternal hope, their endless fight for answers and justice and their commitment to helping others in similar circumstances—I hope that this Bill, if enacted, will always be known as Claudia’s law.

2.22 pm

Andy McDonald (Middlesbrough) (Lab): I congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on the work that he has done to bring the Bill before the House. I would like to say a great deal about it, but I will not; I will be quick. The Labour party supports the Bill, which, happily, has resounding cross-party support. It deals with a gap in the law that needs to be addressed. I understand that the charity Missing Persons has been influential in the creation of the Bill and supports it in its current form.

As hon. Members know, as things stand in England and Wales, there is no mechanism for protecting the property and affairs of a missing person, and the Bill will change that. The hon. Member for Thirsk and Malton has said that some 2,500 people could benefit from such a law. Courts will be empowered to appoint a guardian to manage the property and affairs of missing persons and to act on their behalf. Unfortunately, the delay in filling this gap in the law has been too lengthy, and there has been consistent and long-standing cross-party support for the proposed legislation.

Happily, the Bill has wider support among campaigners and other interested parties. We should not frustrate such laws when there is political consensus about the positive case for acting. As I said at the outset, the Opposition support this Bill, and I am glad to have the opportunity, albeit brief, to speak in its favour.

2.24 pm

Mr Gyimah: I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on introducing the Bill to create the new legal status of guardian of the property and financial affairs of a missing person and on bringing it so far so quickly. The Government are committed to creating that new legal status and are pleased to support the Bill.

The proposals in the Bill have taken some time to evolve. It goes without saying that the Bill will not create a panacea for all the troubles and anguish caused by a sudden and unexplained disappearance; however, it will provide a clear, practical procedure for those left behind to use to find solutions to the financial problems they face. Putting one person in charge of another person’s property and affairs is a significant step. As I have said, guardianship is not unique in that respect. The character and qualities of guardians will be critical. Guardians can therefore only be appointed by the court and can be held to account for their actions by individuals affected. They will also be subject to supervision by the Office of the Public Guardian. The detail of the supervisory regime will be worked out in secondary legislation and codes of practice, as is the case for deputies.

The key principle that the guardian must observe is that he or she must act in the best interests of the missing person. “Best interests” is defined in the Bill and may be further defined in regulations, but it does not simply mean preserving and protecting—and, where possible, augmenting—the assets of the missing person. That would certainly do some good—as against the return of the missing person—but would do nothing, until the missing person returned, for those left behind. The guardian is therefore able, subject to the tests in the Bill and the terms of the guardianship order, to use the missing person’s assets for the benefit of people whom, had he or she not disappeared, the missing person would probably have supported.

I acknowledge the unstinting efforts of the charity Missing People, which, along with its pro bono lawyers, Clifford Chance, has assisted the Ministry of Justice in preparing legislation. The Department is grateful to the charities Prisoners Abroad and Hostage UK, which have contributed to the Bill’s development. I thank my hon. Friend the Member for Thirsk and Malton for his hard work in steering the Bill thus far. I am grateful to all the families affected by disappearances who have shared their experiences in public to help to raise awareness of the need for reform and to Peter Lawrence in particular. As my hon. Friend said, in the letter of the law this is called the Guardianship (Missing Persons) Bill, but it will always be known as Claudia’s law.

The Bill has been a long time in getting to this stage. The all-party parliamentary group on runaway and missing children and adults called for legislation in 2011, and the then Government undertook in the cross-Government missing children and adults strategy, published that year, to consider whether legislation was required. I am delighted to commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed.
Kew Gardens (Leases) Bill

Consideration of Bill, not amended in Public Bill Committee

Clause 1

POWER TO GRANT A LEASE IN RESPECT OF LAND AT KEW GARDENS

2.29 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move amendment 1, page 1, line 3, leave out from “land” to end of subsection and insert—

“(a) occupied by a dwelling-house for a period up to 99 years, and
(b) not occupied by a dwelling-house for a period up to 50 years.”

I should like to speak to my amendments in the few seconds that remain, because it is very important that they should be properly articulated in this House.

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Bill to be further considered on Friday 12 May.

Business without Debate

Mr Deputy Speaker (Mr Lindsay Hoyle): We have come to the end of the time for opposed private Members’ Bills this Session. Four private Members’ Bills have already been passed this Session by the House of Commons, with another three today. It is not possible to debate any more of today’s Bills, which will make progress only if no Member objects to Questions on them being put without debate. There are no remaining sitting Fridays appointed for the consideration of private Members’ Bills. Following a recommendation from the Procedure Committee, there is a list on the parliamentary website of any private Members’ Bills put down formally for subsequent days. At present, Bills are set down for Friday 12 May, though the House is not expected to be sitting that day. In a moment, the Clerk will read over the titles of the rest of the Bills set down for today. If they are objected to, the Member in charge of the Bill may name Friday 12 May, or any other day of their choice.

CROWN TENANCIES BILL

Consideration of Bill, not amended in Public Bill Committee

Hon. Members: Object.

Bill to be considered on Friday 12 May.

AWARDS FOR VALOUR (PROTECTION) BILL

Further consideration of Bill, as amended in Public Bill Committee

Hon. Members: Object.

Bill to be further considered on Friday 12 May.

CARBON MONOXIDE POISONING (SAFETY ABROAD) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.

HOUSE OF LORDS (EXCLUSION OF HEREDITARY PEERS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.

UNENQUIRED MARKETING COMMUNICATIONS (COMPANY DIRECTORS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.

STATUTORY NUISANCE (AIRCRAFT NOISE) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.

FEEDING PRODUCTS FOR BABIES AND CHILDREN (ADVERTISING AND PROMOTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.

WILD ANIMALS IN CIRCUSES (PROHIBITION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 May.
ANIMAL FIGHTING (SENTENCING) BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

NATIONAL HEALTH SERVICE BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

ASSET FREEZING (COMPENSATION) BILL [LORDS]
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

WORKERS’ RIGHTS (MAINTENANCE OF EU STANDARDS) BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

VEHICLE NOISE LIMITS (ENFORCEMENT) BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

FAMILIES WITH CHILDREN AND YOUNG PEOPLE IN DEBT (RESPITE) BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

UNLAWFUL KILLING (RECOVERY OF REMAINS) BILL
Motion made, That the Bill be now read a Second time.

Hon. Members: Object.
Bill to be read a Second time on Friday 12 May.

PROTECTION OF FAMILY HOMES (ENFORCEMENT AND PERMITTED DEVELOPMENT) BILL
Resumption of adjourned debate on Question (25 November), That the Bill be now read a Second time.

Hon. Members: Object.
Debate to be resumed on Friday 12 May.

BUSINESS OF THE HOUSE
Ordered,
That, at the sitting on Wednesday 29 March, notwithstanding the provisions of Standing Order No. 20 (Time for taking private business), the private business set down by the Chairman of Ways and Means may be entered upon at any hour (whether before, at or after 4.00pm) and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business—
(Chris Heaton-Harris.)
Cochlear Implantation

Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris.)

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I am grateful for the opportunity to raise the question of the funding and assessment of cochlear implantation, and I do so as chair of the all-party group on deafness. I am pleased to see the Health Minister in his place; I know he has this issue on his radar.

The starting point is a petition calling for a review of the tests for implants approved by the National Institute for Health and Care Excellence. I have been contacted by my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) and my hon. Friend the Member for Rotherham (Sarah Champion) on behalf of their constituents Lamina Lloyd and Diane Matthews respectively.

Both constituents fall foul of the Bamford-Kowal-Bench test—the BKB test. It is this aspect that concerns them and their MPs, and they want it reviewed and changed. I will come back to that later, as well as to the case of Robert Gee, a constituent of the hon. Member for Daventry (Chris Heaton-Harris), who I am pleased to see in his place on the Treasury Bench. I want to register my appreciation for Action on Hearing Loss, the Action Group for Adult Cochlear Implantation, Professor Chris Raine and the Ear Foundation for their assistance with briefings for this debate.

I shall start with papers sent to me by the Ear Foundation. Sue Archbold writes:

“I was at the World Health Organisation in Geneva for the meeting on World Hearing Day, 3rd March...with WHO for the first time confirming that cochlear implants and hearing aids are cost-effective and should be made more widely available globally”.

The WHO has produced two documents: “Global costs of unaddressed hearing loss and cost-effectiveness of interventions” and “Action for hearing loss”. I am sure the officials at the Department will have brought them to the Minister’s attention.

Professor Chris Raine, who I believe is one of the UK’s leading clinicians in this field, emailed me and wrote:

“CIs”—

cochlear implants—

“are funded for health and NICE only look at this aspect. What needs to be addressed is, value for the taxpayer. For example, in education: children with CIs are now going into the mainstream sector which results in a significant saving of education funding of special classes. We have a generation now going through higher education, and this means better employment prospects and more people paying more tax. Adults who go deaf can expect better health outcomes with CIs. Deafness is associated with illness and unemployment. Also, studies in the USA and France have shown improvement and reduction in dementia in the elderly. We are spending £13 billion on dementia.”

Professor Raine concludes with the recommendation that

“we need adult hearing screening”.

The Ear Foundation has produced a document, “Improving access to cochlear implantation: Change lives and save society money”, written by Brian Lamb OBE, Sue Archbold, PhD, and Ciaran O’Neill, PhD. It recommends, for instance,

“That NICE urgently conducts a formal review of its current guidance on cochlear implants”,

and that the review

“considers lowering the current audiological threshold for candidacy...That any cost benefit analysis done...ensures...real world benefits are taken into account”,

including those relating to social care. It also states:

“A screen for candidacy for cochlear implants should be built into routine audiological appointments.”

Action on Hearing Loss writes:

“More adults could benefit from cochlear implantation than are currently doing so. NICE...should review and update its current guidance on cochlear implantation”.

It also writes:

“74% of children who could benefit from cochlear implantation aged 0-3 have received them, increasing to 94%, by the time they reach 17 years of age. The comparable figure for adults who have severe or profound hearing loss is only around 5%.”

I am sure that the Minister is aware of that.

“Research is also currently underway to see whether the BKB...sentence test...could be excluding adults who could benefit.”

The document recommends a review of guidelines, as well as the raising of awareness of cochlear implantation among the public and NHS organisations and professionals.

Brian Lamb also writes, this time on behalf of the Adult Cochlear Implant Action Group:

“Hearing loss is one of the most challenging health and social issues facing the UK...Those with hearing loss have higher rates of unemployment and underemployment.”

Hearing loss is associated with the risk of developing dementia:

“Those with severe hearing loss are at five times the risk of developing dementia as those with normal hearing”. I remind the Minister again of the billions that we are spending on dementia.

“In older age people with hearing loss are at greater risk of social isolation and reduced mental well-being”.

Yet we have never had better solutions to address hearing loss.

The ACIAG states:

“Hearing aids can make a huge difference to the majority of people, but for those who are severely or profoundly deaf cochlear implantation offers the main way of hearing spoken language again. We now have world-leading technology in cochlear implants to address hearing loss, but many more people could benefit from this transformative technology than currently do.”

It also states:

“There are an estimated 100,000 people with a profound hearing loss and 360,000 with a severe hearing loss who might benefit from implantation at any one time. Yet”

—as I said earlier—

“only 5% receive CIs.

The UK currently has one of the most restrictive tests across the whole of Europe...In this country it is not until the hearing loss is over 90 dB that people qualify, while in Europe the majority of clinics use a measure between 75-80 dB...We also use a word test, the BKB test, which is no longer fit for purpose according to a recent review by experts in the field who concluded, ‘use of this measure...alone to assess hearing function has become inappropriate as the assessment is not suitable for use with the diverse range of implant candidates today’.

The guidelines have been in place since 2009 and not reviewed since 2011.

The Action Plan on Hearing Loss, published by DoH”

—the Department of Health—
and NHS England in 2015, made clear that there should be ‘timely access to specialist services when required, including assessment for cochlear implants’.”

That action plan was widely welcomed when it was published, and I, along with others, commended the Department, officials and Ministers at the time, but much of it seems to be being ignored by a number of clinical commissioning groups. Indeed, some are following policies that contradict the plan. The ACIAG requests more research on the links between hearing loss and dementia, and mental health issues. In conclusion, it writes:

“The NHS has been a leader on cochlear implant technology and helped transform many people’s lives. The NICE guidance was welcome when originally produced in 2009, but we are now falling behind the access available in many developed countries. It is our health and social care services which will pay the cost of not intervening early for those who could benefit.”

I wear two hearing aids, primarily because of damage to my ears sustained while I was in the fire service, although I am sure that age has now added to the problem. I am one of the 11 million people in the UK—one in six of the population—who suffer from hearing loss. Despite the annoyance I cause friends and family by asking them to repeat things, the use I make of the House of Commons loop system, and the assistance I seek here from the sound engineers and technicians, who are always very helpful, I still rely on my hearing aids because they work for me, despite sometimes having limitations. However, I have listed the problems for people suffering profound hearing loss, which are much more serious. We can do something about this; we have the technology, and it is not a matter of costs, because it should save money. It should save the NHS and the taxpayer money, as well as allowing profound hearing loss sufferers to live more complete and productive lives.

In conclusion, I return to the emails from the constituents of my colleagues. One of them writes:

“Lamina passes the pure tone threshold for a cochlear implant, but had to take a speech recognition test in what she regarded as a ridiculously false atmosphere of a soundproof booth with very simplistic sentences in an environment totally different from real conversation or the normal outside world. She is, in her own words, too deaf to hear, but not deaf enough for an implant.”

Robert Gee, the constituent of the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) on securing this debate on such an important subject. Profound hearing loss is a major issue; the points he raised are substantial and I will address them. I also congratulate him on his work on the all-party group on deafness, and on raising awareness. I also want to offer congratulations in respect of the emailed stories that the hon. Gentleman used in his speech, and, in particular, I want to congratulate Diane Matthews on the petition, which also raises awareness of this important matter.

The hon. Gentleman has raised two substantive issues. One relates to NICE and the question of whether the BKB test and the threshold of 90 dB are appropriate, compared with what is used in other parts of the world. It is not for me to instruct NICE on what to do, but I will come back to the question of NICE guidance later. This is a particularly important piece of guidance because it is technical, which means that it is compulsory, unlike some NICE guidance, which is just for consideration. Therefore, it is important that we get this right.

The hon. Gentleman also talked about awareness among commissioners. He mentioned the action plan not being implemented as effectively as perhaps it should be, and I will say more about that as well. In doing so, I have been informed by, among other things, the extremely good paper that the Ear Foundation put out last October on improving access and by a paper written by Brian Lamb of the University of Derby about better assessments for cochlear implants. Both pieces of work were very good, and I would not have read them had I not needed to prepare for this debate. So we have achieved that, at least.

We know that around 700,000 adults in this country have severe or profound deafness, and that 80% are over retirement age. That demographic is increasing, so this issue is increasing, and, as I have said, it is important to get this right. We also know that between 370 and 400 children are born each year with profound deafness. This excellent technology can be a life-changer for children and for adults. The hon. Gentleman told us that, unless we get this right, employability can be affected. He mentioned the tax base, but this is important for all sorts of reasons. People’s mental health can be affected, and those with hearing loss are something like five times more likely to contract dementia than the rest of us. That is a sobering statistic. There is also an increased risk of isolation. As he said, all those factors lead to a greater reliance on our NHS and social care.
systems. That is set out in a number of papers. Indeed, a World Health Organisation paper went into great detail about it.

Let me describe our response to these points and our view on how the system ought to be working. Cochlear implants are commissioned by the specialised commissioning part of the NHS through 17 specialist centres across the country. There is effectively a two-tier approach involved. The clinical commissioning group should do a general assessment to identify the issue, then send the individual for further assessment involving the tests that the hon. Gentleman has described. If appropriate, they go on to get an implant, followed by the necessary rehabilitation and maintenance work.

Roughly speaking, we do between 1,100 and 1,200 of these implants every year in this country. That is split approximately 60:40 between adults and children. Those figures have been fairly static over the past five or six years. The NICE guidance that drives those figures was last done in 2009 and updated in 2011. As the hon. Gentleman said, however, the technology is moving quickly and we need to address the question of whether that guidance is still appropriate. He mentioned the action plan on hearing loss, which we introduced in 2015. It set out in some detail what best practice was and what action the CCGs should be following. They are the first point of contact for prevention, early diagnosis and patient-centred management. There is also a commissioning framework, which came out after the action plan. It set out a requirement for consistency and the removal of the inequalities of access that we have heard about today. It requires “clearly defined referral arrangements” that will provide “timely access to cochlear devices when required”.

Of course, the devil is in the detail, and the words “when required” have led to some of the issues that we are discussing. Following on from that, we are currently working on a joint needs assessment toolkit and a “what works” guidance, with case studies that should help to increase awareness and knowledge of all this among commissioners at CCG level and more generally.

The problem that still exists, and the one we are really debating today, is that, in spite of all that, there is evidence of the technology being under-utilised despite its life-changing characteristics, particularly among the adult population. The hon. Gentleman talked about 5% of adults being able to benefit from the technology. My figure is 7%, but that is not something that we will quibble about. The uptake is much higher among children with profound hearing loss, with 74% of such children under the age of three and 94% of under-17s having an implant. That could lead us to think that commissioners do not always consider the technology as an appropriate solution when a retired or older person has profound hearing loss. In a sense, I suppose that is age discrimination.

As for international comparators, the Ear Foundation paper talked about the US, Germany and Australia as being stronger users of the technology than we are, which is true, but it is not clear that we are behind the field as badly as the paper may imply. I looked at some detailed numbers from across Europe, and we are stronger than Luxembourg, Belgium and others, but it is fair to say that we are probably in the third quartile, at best, so there is room for improvement.

The NICE guidance is the crux of the hon. Gentleman’s point and also what the Ear Foundation talked about. The first thing to say is that I do not tell NICE what to do. Politicians do not influence what is a technical, scientific evaluation. However, we understand that the guidance has not been updated since 2011. There have been a series of quite rapid changes to the technology, surgical procedures have improved, and there is more evidence of the technology’s cost-effectiveness.

I am pleased to say—the hon. Gentleman did not mention this, but it is a fact and nothing to do with anything that I have done—that NICE is currently reviewing the guidance, and that review is due to be completed in the summer of 2017. NICE will be considering all the new evidence, including the work of the Ear Foundation, the World Health Organisation and, indeed, Brian Lamb’s paper. I will also see to it that the issues raised in this debate, in both the hon. Gentleman’s remarks and my remarks, go to NICE as part of the process, so that it is under no illusion as to whether Parliament has considered the matter, and so that it knows that we are extremely keen that it comes to the right answer. It is for NICE to decide whether the BKB test is right and whether 75 kHz is the right measure. The good news for this debate is that that process is happening and is due to be completed in the summer.

On GP awareness, the hon. Gentleman mentioned the action plan, and there probably is an issue there. If we look at the figures for children and the figures for adults, we see that there may be a reluctance to commission the technology for older people just because it is not seen as one of the natural things to do if someone has lost their hearing in their 70s or 80s. There is no pressure from the Government for that to happen, and it should not happen. We work with Health Education England and others on GP training and similar matters. We will make sure that the fact that cochlear implants can make such a radical difference to people’s lives is emphasised with GPs as part of the process. In any event, when new NICE guidance comes out, particularly the technological guidance, which is compulsory, that is likely to create quite a lot of impetus for getting the knowledge out to the CCGs and specialist centres, and therefore to the people who have to make the decisions.

I finish by thanking the hon. Gentleman again for securing this important debate. I have not discussed deafness in this Chamber since I have been a Minister, so it is good that we have had the opportunity to do so. I hope that he finds my remarks encouraging.

Question put and agreed to.

2.59 pm

House adjourned.
Westminster Hall

Monday 13 March 2017

[MRS MADELEINE MOON IN THE CHAIR]

Child Abuse Offences (Sentencing)

4.30 pm

MRS MADELEINE MOON (in the Chair): Before I call Catherine McKinnell to move the motion, I remind Members that the House’s sub judice rule precludes reference in debate to cases before the courts. In criminal cases, that means from the time when charges are brought until the verdict and, if applicable, the sentence. The resolution also applies to active appeal proceedings. I call Catherine McKinnell.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered e-petition 166711 relating to sentencing for child abuse offences.

I am pleased to serve under your chairmanship, Mrs Moon, although the subject that we are discussing is possibly one of the most difficult that I have ever held a debate on or spoken about in Parliament. Entitled “April’s Law” and signed by over 126,500 people, the e-petition reads:

“We the undersigned call on the prime minister to make all sex offenders remain on the register for life no matter the crime, for service providers and search engines to be better policed regarding child abuse images and harder sentences on those caught with indecent images of children.”

Before I consider that, I want to reflect for a moment on the tragic and appalling events that led to Jazmin Jones, April’s sister, setting up the online petition. I imagine that all of us here remember watching the story of April Jones’s death unravel on the news. Only five years old at the time, she was abducted in October 2012 outside her mid-Wales home and later murdered by Mark Bridger in a crime that deeply affected people up and down the country. As a parent of three young children, I cannot even begin to comprehend the heartbreak of losing a child in such terrible and violent circumstances.

What made the crime even more horrifying was that Mark Bridger had been looking at indecent images of children on the day he committed the murder, and he had at least 100—but it is thought that there were nearer 500—indecents images saved on his laptop. That is where the April’s law petition comes in.

I particularly want to recognise the efforts of Jazmin Jones, along with the rest of her family. They all deserve to be commended for their efforts in seeking to ensure that what happened to April does not happen to anybody else. The petition that April’s family established calls for all sex offenders to remain on the sex offenders register for life, for service providers and search engines to be better policed regarding child abuse images, and for harsher sentences for those caught with indecent images of children. All of us here understand the absolute depravity of indecent images of children and those who produce or look at them, as well as the severity of the crimes that we are talking about and their lifelong impact on those affected. I will start by addressing the issue of sex offenders remaining on the list for life.

As many right hon. and hon. Members are aware, part 2 of the Sexual Offences Act 2003 provides various measures that enable the police in England and Wales to monitor and manage sex offenders living in the local area. Certain sex offenders, including those convicted of rape, assault by penetration, serious sexual assault, sexual assault of a child under 13 and other child sex offences, are automatically required to notify the police of personal information such as their name and address and to update the police whenever that information changes. Those notification requirements are commonly referred to as signing or being on the sex offenders register. As well as applying automatically to a number of sex offences committed in the UK, the notification requirements can also be imposed on sex offenders who have been convicted overseas. They are imposed for a fixed or an indefinite period, depending on the severity of the sentence received.

Controversially, sex offenders who are subject to an indefinite notification period can apply to the police for a determination that they no longer pose a risk and should therefore no longer be subject to notification requirements. However, the earliest point at which they can do so is 15 years after the date of their first notification—or eight years in the cases of those aged under 18 when they were convicted.

I completely understand the fear about the fact that dangerous men, and indeed women, who could pose a risk to our children and society at large are able to come off the sex offenders register. I particularly understand the concern that those convicted of the gravest offences may be able to overturn a previous decision that they should be on the register for life, following the Supreme Court’s 2008 ruling that indefinite sex offender registration without the right for review was incompatible with article 8 of the European convention on human rights. However, as I am sure the Minister will explain, the latter group of offenders must go through an extensive process before they are removed, with anyone deemed to remain a threat remaining subject to ongoing notification requirements.

Having implemented the Supreme Court ruling that a review mechanism of indefinite notification requirements must be in place, the Government have strengthened reporting measures by making it mandatory for all registered sex offenders to notify the police of all foreign travel; their whereabouts on a weekly basis when registered as having no fixed abode; when they are living in a household with a child under the age of 18; and their bank account and credit card details, as well as information about their passports or other identity documents. Yet I also understand the need for the public to be reassured that those who have possessed indecent images of children, or who have been involved in sexual offences against children, will remain on the sex offenders register for life.

I would therefore appreciate it, as would those following the debate, if the Minister clarified the circumstances that allow someone to be taken off the register and whether any monitoring of activity is undertaken for those who are no longer subject to notification requirements. Is she aware of the number of people who have left the sex offenders register who have gone on to commit further sex crimes? Indeed, just how many sex offenders have had their indefinite notification requirements overturned on review following the Supreme Court ruling? What certainty can she provide to April’s family—
[Catherine McKinnell]

indeed, to all the families up and down the country whose lives have been torn apart by sex offenders—that the Government are doing everything in their power to stop those criminals from posing a danger to society?

E-petition 166711 also calls for search engines and internet service providers to be better policed on child abuse images. We have seen some progress in recent years with Google, for example, reporting an eightfold reduction in child sexual abuse image searches since it changed its algorithms to ensure that indecent images and videos do not appear in results. However, we can clearly do more to pressure organisations to avoid becoming complacent.

An organisation that works tirelessly on this issue is the Internet Watch Foundation, set up in the UK in 1996. It is world-leading in its work to eliminate child sexual abuse imagery online and to ensure that we continue to make progress. Europol has stated:

“IWF is one of the most active and effective European hotlines fighting against child sexual exploitation. The work developed by IWF in the process of notice and takedown, in close cooperation with Law Enforcement, is an example to follow.”

IWF’s work has meant that only 0.2% of child sexual abuse content is hosted in the UK, that 100,000 reports of sexual abuse images or videos have been processed and that an international reporting hotline has been set up. One of the most impressive IWF advances has been an “image hash list”, which allows companies automatically to find indecent images or even to prevent them from being uploaded. In a world now dominated by social media, it is somewhat reassuring that Twitter is also using the technology. Twitter has commented that the hash list system “has added significant capacity to our ability to detect, remove and report” child sexual abuse images.

I strongly believe that we should commend the Internet Watch Foundation for working tirelessly to make our internet safer. However, more can undoubtedly be done, as was highlighted only recently when the BBC reported that it had alerted Facebook to 100 images on its website that appeared to break the social media site’s guidelines, including: pages explicitly for men with a sexual interest in children; images of under-16s in highly sexualised poses with obscene comments posted beside them; Facebook groups with names such as “Hot XXX Schoolgirls” containing stolen images of real children; and an image that appeared to be a still from a video of child abuse, with a request below it to share child pornography.

Facebook’s initial response was to report the BBC journalists involved to the police and, most disturbingly, to remove only 18 of the 100 images because the other 82 apparently did not breach its “community standards”. The National Society for the Prevention of Cruelty to Children said:

“Facebook’s failure to remove illegal content from its website is appalling and violates the agreements they have in place to protect children. It also raises the question of what content they consider to be inappropriate and dangerous to children”.

I agree, and I believe that the case raises a number of troubling questions. How easily can adults access and share images of child sexual abuse via social media and other sites? How easily can our children be groomed on that site, given that children as young as 13 years old can create a Facebook account? Finally, how easily can our children stumble across indecent images of other children being sexually abused—and perhaps even think that that is somehow normal or acceptable behaviour? Facebook executives must take the issue more seriously, and UK law enforcement needs to clamp down when companies do not remove content. What engagement have the Government had with large companies to ensure that indecent images of children are proactively policed and taken down by the companies themselves, especially given that those on Facebook had to be reported to Facebook by the BBC?

As I outlined earlier, the UK hosts 0.2% of sexual abuse content. That is, of course, 0.2% too much, but it also means that more than 99% is hosted internationally. In 2014, the UK held the first WeProtect summit, which brought together representatives from more than 50 countries, 26 leading technology companies and 10 non-governmental organisations. At the summit, the then Prime Minister, David Cameron, pledged to donate £50 million over five years to the UNICEF global protection fund, saying:

“This is money that will help put those lives back together again and I’m proud that Britain is pledging it and once again leading the way.”

Can the Minister confirm that Britain is still leading the way and is continuing to contribute to UNICEF’s global protection fund? I ask not least because child sexual abuse images and videos created abroad are viewed by paedophiles in the UK. We owe protection to children, regardless of where they are from, from such appalling crimes. We must not turn a blind eye to vulnerable children around the world.

We must also not turn a blind eye to people accessing indecent images of children that are produced in Britain. The Marie Collins Foundation said:

“All too frequently, we hear the people who view images of child sexual abuse defending themselves by saying: ‘I only looked at pictures, I didn’t actually hurt anyone’…Every time an abusive image is viewed it means that the victim in the image is re-abused. No victim should have to suffer in this way.”

The National Police Chiefs’ Council lead for child protection, Chief Constable Simon Bailey, commented recently that paedophiles accessing such images should not be charged or prosecuted, and therefore not imprisoned, unless they pose a physical threat to children. Such comments massively threaten to downgrade the impact on the victims in those images. The case of Mark Bridger clearly demonstrates that people who look at images of child sexual abuse can be an enormous risk to our children.

What is more worrying is that one of Britain’s most senior police officers cannot identify a feasible solution to the growing numbers of people accessing such images online. Chief Constable Bailey made his comments in the context of an 80% increase in the number of child abuse reports over the last three years, and 400 men arrested by the police and the National Crime Agency every month for viewing indecent images of children. He states that that is just the tip of the iceberg. Estimates also suggest that there are around 500,000 people sharing indecent images of children, but I believe that we cannot remove the threat of prison without devaluing the crime, even though our prison population now stands at more than 85,000.
Gareth Johnson (Dartford) (Con): The hon. Lady is making an excellent speech. Does she agree that it is wrong that the prosecution cannot appeal sentences imposed by the courts for creating or distributing images of child sexual abuse, no matter how lenient they are, because those offences do not fall under the unduly lenient sentencing scheme?

Catherine McKinnell: The hon. Gentleman raises a valid concern. I am keen to hear from the Minister what the Government’s view is. It may be a matter to take up with the Law Officers and the Solicitor General, who I know takes up unduly lenient sentences on behalf of the Government. We must consider how to increase understanding of the severity of the crime and the ability to appeal unduly lenient sentences if appropriate.

We must remember that every indecent image of a child means a child suffering sexual abuse. We cannot allow police funding restraints to leave our children at risk. I call on our Government to ensure that our police forces and judicial system are adequately funded to deal with the influx of cases from Operation Hydrant. That is not to say that we do not need to focus on rehabilitation as well, but it is hard to ascertain how we can offer the rehabilitative services that Chief Constable Bailey is asking for when our current attempts at rehabilitation are chronically underfunded. There is only one place where paedophiles can receive treatment on the NHS in England: the Portman clinic in north London. Due to funding cuts, the clinic can now treat only paedophiles who have committed offences, which signals a massive lack of commitment to well-funded rehabilitative services.

In the charity sector, StopSO provides counselling to both non-offenders and offenders and believes that it can help paedophiles to manage their feelings towards children so as not to offend. However, to ensure that it can continue to offer services, StopSO charges £40 to £120 an hour, which obviously leaves thousands of people without access. Given that 500,000 people are currently looking at indecent images of children, we need a system that considers rehabilitation as a core part of prison life. At the same time, we also need to look further into the future and fund more services that can assist paedophiles before they offend. If we do not have a system that provides adequate rehabilitative services while the Government try to imprison fewer people, we run the risk of paedophiles falling through the cracks. Surely that would only perpetuate the idea that there will be no consequences for abusers and potential abusers watching child sexual abuse. We cannot allow that to happen.

The April’s law petition calls for increased sentencing for those caught with indecent images of children. The independent Sentencing Council is responsible for issuing guidelines to the courts, and updated guidelines on sexual offences have been in force since 2014. Although Parliament could legislate to increase the maximum terms, I argue that the existing Sentencing Council is the best body to determine the duration of sentences. However, I would welcome the Minister’s views on whether the Government are likely to legislate further in this area, not least in the light of the concerns about the criminal justice system’s inability to cope with the current volume of offenders and the concerns about unduly lenient sentences mentioned by the hon. Member for Dartford (Gareth Johnson). I would be grateful if the Minister provided some feedback on that issue.

Before I conclude, I will touch briefly on another campaign that I know April’s family support. My hon. Friend the Member for St Helens North (Conor McGinn) is seeking to pass the Unlawful Killing (Recovery of Remains) Bill, also known as Helen’s law, which would ensure that murderers are ineligible for parole if they do not reveal the location of their victims’ remains. That is particularly relevant as Mark Bridger has never revealed to the police how he disposed of April’s body. Coral Jones has said:

“As her mum I would love to know where she is, the rest of her, and family and friends, we would all love to know. No mum or family would want their child’s remains somewhere else. They would like to put them all to rest.”

Families who are already living through absolute hell are denied even the slightest amount of closure if they are not able to properly bury their loved ones. I urge Members across the House to support my hon. Friend’s Bill to ensure that murderers who refuse to reveal the location of their victims’ remains are not allowed to walk free.

I conclude by commending the family of April Jones for being so proactive in trying to stop what has happened to their daughter and sister from happening to anyone else. Through the efforts of the Jones family and the vast number of supporters, this petition has allowed us this valuable time in Parliament to discuss how we can keep our children safe. For that, I would like to thank them.

I am pleased to have been able to highlight the commendable work of the Internet Watch Foundation and call for the UK to remain outward-looking and ready to support international efforts to combat child sexual abuse, especially regarding indecent images. I also strongly urge the Government to review the funding received by the police and the wider criminal justice system to properly deal with those who produce or access indecent images of children and who are involved with wider child sexual abuse. They must ensure that that funding is adequate to deal with the current influx of cases.

I hope that this debate will highlight to Members across the House the fact that we cannot afford to become complacent about indecent images of children, because April’s case shows just how significant a risk those who access such images can pose to our children and our society.

4.51 pm

Glyn Davies (Montgomeryshire) (Con): Thank you for calling me to speak, Mrs Moon. We have worked together on many other issues and it is a great pleasure to serve under your chairmanship today. I also thank the representative of the Petitions Committee, the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), for comprehensively outlining all the issues that surround this very complex case. There are all sorts of arguments for and against virtually every aspect of it—it is not straightforward.

I will contribute a constituency perspective and, of course, a family perspective. On 1 October 2012, I was at home working on my iPad when I read a tweet that a five-year-old girl had disappeared after being seen climbing into a vehicle on the Bryn-y-Gôg housing estate in Machynlleth in Montgomeryshire. It is not unusual to get tweets like that, but there was something about that
tweet that immediately gave me the sense that this was something serious. Within hours, the people of Machynlleth and the surrounding area had joined the search for five-year-old April, the daughter of Coral and Paul Jones, who live on the Bryn-y-Gôg estate. Over the following days, a huge number of volunteers and local and national organisations, as well as the police, formed the most intensive, widespread search for anybody or anything that I have ever seen in my life—it was just amazing. Five days later, a local man, Mark Bridger, was charged with abduction, murder and perverting the course of justice. In May 2013, Bridger was found guilty and sentenced to life imprisonment. The sentencing was viewed as a major turning point in the way in which the media responded to the people of that small market town brought what seemed like the world’s media to Machynlleth. I spent several days there myself. Like everybody else, I brought what seemed like the world’s media to Machynlleth. I spent several days there myself. Like everybody else, I found it really difficult to comprehend just what had happened and what April’s family would have been going through.

I pay tribute to April’s parents and her sister Jazz, who are with us in this Chamber today. They have made huge efforts to raise awareness of the widespread availability of pornographic and sexual images of children. They want to do everything they can to prevent other families from facing a similar tragedy and from going through the same pain that they have gone through and, no doubt, are still going through today. Their efforts have culminated in this debate in the House of Commons, after a petition raised by April’s family reached more than 100,000 signatures. For completeness, I will read out that petition, which is quite short:

“We the undersigned call on the prime minister to make all sex offenders remain on the register for life no matter the crime, for service providers and search engines to be better policed regarding child abuse images and harder sentences on those caught with indecent images of children.”

The petition can be divided into three calls for action. In preparation for this debate, I met Coral and Jazz Jones in Machynlleth 10 days ago. We talked through what they expected from the debate and what form an “April’s law” might take. The petition calls for legislation to be based on three objectives. The hon. Member for Newcastle upon Tyne North addressed them all in her speech but, for myself and my constituency, I will repeat some of what she said.

The first objective, which is perhaps the most difficult to achieve, is cleaning up the internet. It should be our ambition to remove all sexual images of children from the internet. We know that the presence of those images is damaging, but removing them is not an easy or straightforward process, because the internet is technologically fast-moving and is not easy to control through legislation. However, the Government have a responsibility, which I think they take seriously—indeed, all Governments throughout the world have a responsibility—to do everything within their power to clean up the internet as far as is humanly possible.

Last week, we learned of a disturbing report, which has already been mentioned but certainly had a very big impact on me, that involved Facebook, a giant of the social media world. A BBC investigative team used the report button, the purpose of which is to highlight to Facebook any improper sexual images on its platforms. The BBC found that 80% of such images were not removed after being reported. There was simply an automated response, stating that the images did not breach community standards—whatever that means. Included were images of children in sexualised poses, pages aimed at paedophiles, and one image that appeared to be taken from a child abuse video. Astonishingly, instead of taking down all those images, Facebook reported the BBC for sharing them. I cannot be certain of the precise detail of what happened in that case, but it seems beyond all belief. I understand that the images have now been removed, but what we want is for Facebook and every other social network operator, whether small or large, to be under a legal obligation always to take down such images, constantly to survey what appears on their social network platforms and, as far as possible, to report whoever puts them there to the police. We need a law that bans indecent and dangerous content and that ensures that action is taken against whoever instigates or permits it. It must make no difference whether the offender is a small company or is among the biggest companies in the world.

The second aim for what an “April’s law” should include is a stronger process for removing the names of sex offenders from the sex offenders register. I fear that an absolute ban would probably fall foul of human rights legislation, but as far as we possibly can, we must always put the protection of the public first. I do not consider myself to be sufficiently qualified to outline precisely what a process of deregistration might look like in order to satisfy human rights legislation and keep the public safe. However, it must always ensure that no name should ever be removed from the sex offenders list until and unless there is total certainty that the offender has reformed and will not repeat offend. I ask the Minister whether it is possible to introduce rigour and certainty into the system to a greater extent even than now by establishing some sort of structure similar to a magistrates court structure to judge each individual case. The basis on which we should judge the suitability of a sex offender seeking removal from a sex offenders list is that we must always put first the safety of the public and of children.

The third policy is the importance of always putting sex offenders on the sex offenders list, or at least bringing them to court if the offence justifies it. This has already been covered in this debate, but we cannot have a position whereby police resources or pressure on the criminal court system result in offenders not being prosecuted. Sex offenders should always be prosecuted.

Two weeks ago, there was a report in The Guardian—again, this has already been referred to—on comments by Simon Bailey, the chief constable of Norfolk constabulary and the National Police Chiefs’ Council lead for child protection. He said that the police were struggling to cope with the huge number of criminals looking at indecent images of children online, and that they should focus their resources on high-risk offenders. That is not good enough. All offenders must be looked,
not just high-risk offenders. How do we judge between a high-risk offender and a low-risk offender? They are all offenders.

I agreed with the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), Chair of the Home Affairs Committee, who wrote in response to the chief constable:

“As you will know, for many decades institutions have put children at risk because it was seen as too difficult, not a priority or resources were insufficient to keep them safe. I would not want to see the same happen over online child abuse.”

I absolutely agree with that. She also said:

“This raises some very serious concerns about the scale of online child abuse, about the level of resourcing the police have available for it, about the systems the police has in place to deal with this new and increasing crime and also about the priority being given to it by police forces.”

We regard child abuse as a hugely serious crime and I believe that it is still under-reported. Police forces throughout the country should make dealing with it an absolute priority. Anybody who is deemed to be a sex offender—albeit they might be described as a low-level offender—should be prosecuted.

**Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): On the exploitation of children and police resource, I had reason to talk to Facebook not that long ago about an online bullying problem. Facebook made the not unreasonable point that a lot of this stuff is not necessarily unreasonable point that a lot of this stuff is not necessarily on social media that is within UK control, but on foreign websites in jurisdictions about which we might have limited knowledge and over which we might have limited control. Would my hon. Friend comment on that point and whether he thinks we are suitably focusing on that source of imagery? Is it a crime to look for child pornography on the internet, including for employees of the very platforms that we hope will rectify this matter. Does the law give them the power they need to police it themselves?

**Glyn Davies**: Thank you, hon. Friend for his intervention and I agree with him. The point I am trying to emphasise—I think it is something that most Members in this House believe—is that this is a growing crime. We are also becoming more aware of it, and it has probably been under-reported forever. We are starting to realise just how awful things have been.

This crime destroys young people’s lives forever and it destroys families. We all know what has happened in Machynlleth and the damage it has done at a personal level to the family concerned, but this crime is happening in other places in Britain at a different level. We cannot ever say that the resources are not there to prosecute; we cannot ever say that the resources are not there to prosecute; we cannot ever knowingly allow somebody to come off a sex offenders register until we are absolutely certain that they are no longer a threat; and we cannot ever allow a major company—no matter how big, how rich or how powerful it is—to adopt an approach to dealing with sex offenders that is different to anybody else’s approach.

5.5 pm

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): Diolch yn fawr, Iawn, Mrs Moon; it is an honour to serve with you in the Chair. It is also an honour to follow the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) and of course the hon. Member for Montgomeryshire (Glyn Davies), who is my constituency neighbour.

Looking back to that time, the loss of April Jones hit rural Welsh communities hard. It shattered our comfortable belief that such horrors could never happen in Wales—that such monsters could not live among us and would not be greeting us daily on our high streets, buying a round in our pubs and quite possibly loitering outside our schools and where children play. I speak also as the mother of girls, and we were secure in our illusion—our delusion—that such things always happened elsewhere, to other families and in other places.

The revulsion was reflected in the pouring out of support for April’s family; in the thousands of people signing this petition, many of them in Meirionnydd; in the hundreds of people who turned out to assist the police in their search across mile upon mile of forested hill country, in rivers and even down disused mine shafts; and in the feelings among the police themselves—Dyfed Powys police, and officers from North Wales police and, of course, other forces who came in to help with the search. They persevered through the winter months, in the biggest search ever organised in Britain. I am sure that many of us will remember the pink ribbons on gate posts and fences across Wales.

Evidence against April’s murderer was found on his computer. In discussions with North Wales police, with whom I participated in the police service parliamentary scheme last year, I have heard a number of concerns about the increasing number of digital devices seized by officers and also real questions about consistency of sentencing. Many of these issues have been raised already, but there are a couple that I would like to raise. In particular, I would like the Minister to consider including as a penalty the forfeiture of all digital devices and data owned by a child sex offender when illegal images are found on any of those devices. Ironically, that would be quite similar to the penalty for poaching. Indeed, it is a surprise to me that we have not done that already with devices, given their sheer multiplication.

Although we are aware that the child abuse image database exists to help police forces—I draw hon. Members’ attention to North Wales police’s bespoke digital imagery facility at st Asaph—this issue is none the less putting an increasing burden upon police. I saw police in action last summer, carrying out a warrant from the paedophile and online investigation team, but when I spoke to them in preparation for this debate, they were at pains that I should emphasise how heavy the workload is. To a degree, the number of cases that they are bringing to court and conviction is very much dependent on how they can actually cope with the sheer number of devices.

I have heard instances of court orders from judges that required police to return data from seized devices to convicted offenders. In one case, a former teacher who had been found guilty of keeping these sorts of images successfully argued that he needed teaching material from the computer on which he had stored illegal images—a request granted to a man who in all likelihood would never teach again. This seems to be a waste of police time, taking them away from dealing with other cases that could lead to convictions. Surely the time has come for all seized digital devices that are the personal property of a convicted paedophile to be confiscated as part of the penalty. Surely the onus should be on the offender to prove that they have a genuine need for the data on seized devices to be returned,
and this should only happen in very exceptional cases. Of course, this is not a political matter; it is one of pragmatic policy making, and I hope that the Minister will respond in due course.

The second issue I would like to raise is the consistency and appropriateness of sentencing. Again from North Wales police, I heard of a case of attempted grooming of a 13-year-old child for sex. The defendant had travelled from London to north Wales with that very intention, but had unknowingly actually been communicating with an undercover officer. He pleaded guilty and was sentenced to only 21 months. In a similar incident, between Lancashire and North Wales police, and where the undercover operation led to arrest in the offender’s home, the sentence was 24 months, suspended.

Sentencing guidelines are complex in the area of attempted sexual offences against children, but there is no doubt whatsoever that both those individuals had every intention of arranging and carrying out a sexual offence against a child. They had meticulously planned their route and how to commit the offence. Only the saving grace of the undercover officers’ interventions prevented them from carrying out those plans. Surely sentencing should reflect that, bearing in mind that an actual sexual offence against a child would be in category 1A and receive in the range of four to 10 years, depending on aggravating features. Even with a guilty plea, surely the evidence of determined intention should warrant more robust sentencing—certainly more than 24 months, suspended.

To close, I want to pay credit to April’s family, because in the midst of the unfathomable horror of their experiences over the last five years they have succeeded in ensuring that while April’s murderer will see out the rest of his whole-life tariff in obscurity, her name will be remembered and cherished. Her legacy should be that other children are better protected in law.

5.11 pm

Yasmin Qureshi (Bolton South East) (Lab): It is a pleasure to serve under your chairmanship, Mrs Moon, and to respond to the debate. As my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) said, it gives no one pleasure to talk about this issue, but so many children have, regrettably, been sexually abused, and are being abused even now. I pay tribute to the family of April Jones for their strength and bravery in bringing to the attention of the House, and indeed of society generally, the challenges we face in combating sexual abuse and offences against children. In particular, I thank Jazmin Jones for her efforts in securing the success of the petition.

Today’s debate has particular significance for me. As a very new lawyer, I joined the Crown Prosecution Service as a prosecutor and within a year had to deal with the case of a six-month-old baby who had been sexually abused and then, a year later, that of a woman who had held her three-year-old daughter down while her boyfriend raped the child. Such things are horrific. Everyone will agree that those who commit sexual offences must be held accountable for their crimes, and it is right that in dealing with perpetrators of sexual offences, especially those against children, terms of imprisonment follow.

In this country we have some of the toughest powers for dealing with this type of offence. In fact, many years ago, our Government recognised that such offences were occurring abroad and for the first time introduced legislation that meant that individuals could be prosecuted in this country for sexual offences in relation to children, and put on the register. Even now, there are many people—sadly, mainly men—who go out to poorer parts of the world and abuse young girls and boys. It is a big pattern.

We have also seen an increase in victims of child abuse summoning up the courage to identify their abusers and inform the police. When I started practising law more than 20 years ago, it was difficult to get children to come forward and give evidence of what had happened to them. That increase is therefore to be welcomed, but we must ensure that the increased media coverage of such offences does not result in complacency or the mistaken belief that they are commonplace. Any offence against a child is an affront to our society and a personal tragedy for the victim and their family, and the courts must respond appropriately.

In addition, it is right that the police have the power and the capacity to monitor offenders when their custodial sentence comes to an end. That, too, is crucial for the safety of our children. The basket of information that those convicted of serious sexual crimes are required to submit is commonly referred to as the sex offenders register. Together with sexual harm prevention orders and sexual risk orders, the register is vital for police forces charged with monitoring those who pose a risk of committing sexual offences. As of 2011, the child sex offender disclosure scheme, widely referred to as Sarah’s law, has allowed parents to apply for information on registered sex offenders living in their area. It is right that the police should have that information available, so that they can act as its gatekeepers.

The length of time offenders are required to remain on the register varies. One of the major concerns that informs the petition is the right granted to those who have been placed on the register for an indefinite period to seek a review of the decision. As has been mentioned, that was the result of a Supreme Court ruling that said that there had to be a right of review, because otherwise article 8 of the European convention on human rights would be contravened.

The hon. Member for Montgomeryshire (Glyn Davies) rightly said that the rights of children come before the rights of any perpetrators, and I would like to reassure him about what the court is trying to do. It is settled jurisprudence across the world that, when someone has either been convicted of an imprisonable offence or is on something like the register, there is normally recourse to some sort of appeal. All the Supreme Court was saying was that domestic legislation should have that right to appeal, not that those people should be released, after 15 years or eight years. It is obviously for the police officers and courts to decide in each case whether that happens. I wanted to reassure the hon. Gentleman, because sometimes these things get caught up emotionally with the Human Rights Act. However, for many people the potential for reoffending is clearly so great that while an offence is perhaps not deserving of lifelong imprisonment, lifelong surveillance and tracking is required. It is quite proper that the police have the initial say regarding who is and who is not to remain on
the register indefinitely, but it is also in accord with the principle of the rule of law that there is recourse to the judicial system.

I should also stress that, if the register and the associated orders are to be effective, they must be maintained and those subjected to them monitored sufficiently. In order to do that, the police must be given the resources they need, and a significant threat to child safety is posed by funding cuts to our police services.

Although I am sure that everyone abhors the crimes referred to in the petition, it remains the case that most of those who commit them will at some point have to live in society, albeit subject to some oversight. To protect our children, we must do all we can to reduce the risk of reoffending. Accordingly, more work must be done with offenders, both inside and outside prison, to enable them to function without committing further acts against our children. That must inevitably involve the National Probation Service, which has recently become stretched, and also psychiatric services. Just recently, the Royal College of Psychiatrists warned that its members felt unable to work in prisons.

The petition also calls on internet service providers and search engines to be better policed regarding child abuse images—an ambition we all must endorse. Each case must be judged on its own merit, but we must never forget that every image of abuse created is an image of actual abuse of a child, and that viewing such images only encourages their further production. Moreover, for an individual to have a visual record of a crime committed against them, for future viewing by other offenders, must outrage any sense of decency and provoke the fiercest compassion for victims.

We must also remember that not only abusive images, but forms of communication opened up by social media, are a potential source of danger to children. Law and legislation protecting children must be designed for a 21st century context where technology is constantly advancing. Technological answers alone can never suffice, however. The disturbing normalisation of highly sexualised language and images that children may produce and share among themselves via instant messaging poses a deep cultural challenge for our society. At the very least, it normalises the sexualised way in which children can perceive themselves. At worst, those types of communication provide weak points through which adult abusers can co-opt networks of younger people. If we are to counter that disturbing trend, teachers, parents, politicians and popular culture all have a role to play.

There are more immediate responses, however. In addition to greater cultural awareness and improved policing, it is not unreasonable to expect technology companies to do more to counter the availability of child pornography online. Doubtless the technological challenge is large, but they have a responsibility not to aid predators who view images of abuse. Moreover, internet service providers must do more to provide information to the police in a timely fashion when called upon. If the police are to use that information to the full in identifying and detaining offenders, they must have sufficient resources.

I ask the Minister to consider a number of things. My hon. Friend the Member for Newcastle upon Tyne North mentioned what Chief Constable Simon Bailey said about having to make decisions on whether to pursue offences where someone is actively dangerous, as opposed to offences where someone may be dangerous because they are viewing things online. Due to the lack of resources, the police cannot give sufficient attention to the latter. The Government need to consider providing additional officers and resources—possibly ring-fenced—specifically to deal not only with sexual abuse, but with online abuse, online pornographic images and online sexual images of children. They also need more resources to train more police officers to carry out undercover operations of the type referred to by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). She referred to examples of undercover police officers effectively managing to stop abuses and predators, and prevent offences from being committed. They constantly do that. We need to resource those types of operations more so that there are more officers able to deal with the dangers of the internet.

We also need to think seriously about how the internet operates in relation to pornography and sexual images. As has been referred to, when an image on the internet is reported, it can take months and months for it to be removed. Sometimes nothing happens. The process needs to be strengthened so that internet providers have to deal with reported images immediately. If they fail to do that, criminal penalties should be considered. Will the Government relook at how the internet and internet providers work and allow so much indecent material to be on the internet? I hope the Minister can deal with that in her response.

5.24 pm

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): It is a pleasure to serve under your chairmanship, Mrs Moon. I am sure you will agree that this has been a well-informed debate, and I very much appreciate the spirit in which all Members have made sincere and thoughtful contributions.

This is an incredibly important issue, and I thank the hon. Member for Newcastle upon Tyne (Catherine McKinnell) for leading the debate and bringing the issue to our attention today. It has allowed us to have such a thorough discussion. Other Members have said this, but this issue is not really something that any of us wants to debate. It is horrendous to think that such appalling acts of depravity and crime are happening in our country in the 21st century.

Before I address all the very thoughtful questions that have been put to me, I want to speak directly to the family of April Jones—to her parents Coral and Paul, and to Jazmin—who are here today. I cannot imagine the horror of what you have had to experience. You are an inspiration to us all. You have managed to take such grief and the worst imaginable situation and use those feelings so constructively to campaign for changes to ensure that no other family or community has to experience what you had to experience. I thank you sincerely for your bravery and persistence in bringing this matter to the attention of the people of Great Britain and us here today. It is not a problem that any one of us will deal with alone; it requires a whole society approach, and each and every one of us has an important role to play. I thank you very much for everything you are doing.

I also commend the family’s excellent MP, my hon. Friend the Member for Montgomeryshire (Glyn Davies). He has given the family a lot of support and gave voice to their concerns today. What a powerful advocate he is...
for the family—and he is well supported by his neighbouring MP, my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart). As others have said, the issue transcends all party politics. Members of Parliament representing all parties work together constructively to ensure that the Government are doing everything we can to prevent, detect and prosecute these horrendous crimes.

I want to answer some of the questions that have been asked. The first set of questions were about what we are doing about who is on the sex offenders register. I understand why people think that anyone who has committed any such crime should go on the register and stay there for life without any reconsideration. I understand that strong sentiment, but the Supreme Court ruling in 2010 has been mentioned, and I want to go into a bit more detail about it. It prevented us from not giving sex offenders the opportunity to be removed from the register: we were told that there must be opportunities for that to be reconsidered. There was an objection about human rights and the offenders being denied the right to a family life. At the time, the Government were disappointed by the ruling and we remain disappointed today. I am sympathetic to the demands of the petition and the concerns of the Jones family. I understand why they feel that the petition is necessary.

It is precisely because we are determined to do everything we can to protect the public from predatory sexual offenders that we made the minimum possible changes to the law to comply with the Supreme Court ruling, while ensuring that the police and others can protect the public from the serious and appalling sorts of crime that have been committed by individuals on the register. That means that no offender comes off the register automatically. The most dangerous offenders—those we cannot afford to leave unmonitored in this country—will stay on the register for life; they do not have a right to request reconsideration of their status on the register.

We have provided for a review carried out by the police, but no more than that. Offenders have the right to ask the police to reconsider, but they have no recourse to appeal. We believe that approach complies with the Supreme Court ruling, but it also ensures maximum public protection, which remains at the heart of managing sex offenders. They can seek a review of their indefinite notification requirements only once they have completed 15 years. For juveniles, it is eight years. People have to wait a long time before they can even request a review.

The review takes a range of considerations into account. Information is provided from a wide range of agencies operating within the multi-agency public protection arrangements framework. This ensures an individual assessment of the risk before any offender is considered for removal. As I have said, the most serious offenders are never even considered for that. The process has proven robust and workable and puts public protection at the heart of sex offender management, while at the same time preventing sex offenders from being able to waste public money by repeatedly challenging decisions in the courts.

We want to make sure that victims are also engaged in the process. We want to ensure that the feelings of victims’ families—for example, in the tragic case of the Jones family—are taken into consideration. Victims’ needs and safety are absolutely fundamental in the process. It is important to remember that many victims who have undergone appalling acts against them want to move on with their lives. They have had therapeutic interventions and they want to put it behind them. We need to bear in mind their views as well. The police look at cases to make sure that victims’ voices are heard in a sensitive way. They are not necessarily publicly forced into anything; they are treated according to their needs.

When we made the changes in 2012, we also introduced additional safeguards to tighten the notification arrangements even further, making it compulsory for sex offenders to report to the authorities before travelling abroad, whenever they are living in a household containing a child under the age of 18, and when they have no fixed abode. It is important that we always know where they are. Collectively, the safeguards ensure that the public continue to be protected from the sex offenders who continue to pose a risk.

We have continued to work with the police and other law enforcement agencies to ensure that the right powers are available for the authorities to tackle sexual crimes and bring perpetrators to justice. For example, we have introduced new civil orders that capture a range of risky behaviours and allow the police to further restrict the behaviour of those who pose a risk, preventing them from escalating to contact abuse. I want to be absolutely clear that victims and survivors of sexual and other forms of violence against women and girls are at the heart of all our policy making. Over the spending review period, we will spend more than £100 million to make sure that victims get the help they need when they need it and to ensure that no victim is turned away.

The petition that we are debating today also calls for better policing of search engines and internet service providers. I agree that that is absolutely critical. Under the Protection of Children Act 1978, it is illegal to take or distribute an indecent photograph of a child under 16. The penalty can be up to 10 years’ imprisonment. Possessing indecent photographs of children is an offence with a maximum sentence of five years’ imprisonment. However, we know that more can be done.

Through the campaigning of Paul and Coral Jones, major search engines have tried to address the abuse of technology. Since 2014, both Google and Microsoft have introduced changes that make it significantly harder to find child sexual abuse material online. Using new technology, they have experienced an eightfold reduction in search engine attempts over an 18-month period. The message is clear: when industry works together with law enforcement to take action, it really can deliver results.

The Government’s response has been significant, with law enforcement agencies taking action against online offenders, developing new capabilities to find and safeguard victims, and working with the industry here and overseas to make sure that we remove as many images as possible. All UK police forces and the National Crime Agency are connected to the child abuse image database, which was launched in 2014. CAID provides law enforcement agencies with effective tools to search seized devices for indecent images of children, reducing the time taken to identify such images and increasing the ability to identify victims.

Recently, the NCA was able to use CAID to review one of its largest ever seizures within six weeks. Based on the case size, that would have taken six months to
review before CAID. Collaboration and use of the new tools that are available are dramatically reducing the time it takes to search, find victims and secure prosecutions. That has resulted in around 400 arrests each month for online CSE offences, and we estimate that it is safeguarding around 500 children each month.

Child sexual exploitation and abuse is one of the national priorities in the strategic policing requirement. The threat will be more visible and there will be more consistent understanding, prioritisation and planning of capabilities to tackle child sexual abuse. The strategic policing requirement enables forces to collaborate and to share resources, intelligence and best practice, and provides improved access to specialist capabilities.

Some Members have asked whether we are giving the police enough money to do the work. I absolutely want to reassure everyone here that the Child Exploitation and Online Protection Centre, the main specialist agency within the National Crime Agency, has had its resources nearly doubled. We have committed an additional £20 million over the spending review period. It also gets a significant amount of help from specialists within GCHQ, so our top intelligence community, which is there to keep the nation safe, is now deployed to help CEOP. I regularly meet police officers in CEOP. Every time I visit, I ask them, “Do you have the resources you need to tackle this crime?”, and they all say yes. The amount of investment that we put in is something we keep under constant review.

One Member asked whether we were investing in WeProtect. The need to work internationally has rightly been raised today because the threat is global. I can confirm that the £40 million commitment that the previous Prime Minister, David Cameron, made to WeProtect over this spending period is absolutely secure and is being spent. The UK leads the world in this effort, and we will continue that work. As has been rightly said by many people here today and outside this Chamber, all companies have a responsibility to ensure that they do everything they can to make sure that their platforms and services do not allow the exploitation and victimisation of children. They must address the abuse of what is otherwise legitimate technology. It is really important that they step up to the plate and do everything they can.

The Prime Minister, the Home Secretary and I have regular meetings with all the internet providers—the Prime Minister herself chairs a meeting—to make sure they do everything they can. In the light of the revelations reported by the BBC about Facebook, the Home Secretary will have an urgent meeting with Facebook to ask why the images were not taken down after being reported. We must be satisfied that lessons are learnt by Facebook. We must not leave any stone unturned.

There has been quite a bit of discussion about sentencing. Although it is a matter for our courts, in December 2013, as a result of a lot of pressure, the Sentencing Council issued revised guidelines on sentencing for sexual offences, which came into force three years ago. They include guidance on assessing offender behaviour and the appropriate sentence level in proceedings relating to indecent images of children. The Sentencing Council keeps the maximum penalties under review to ensure that the courts have adequate powers to deal with offences effectively and proportionately, while taking into account the circumstances of the offences and any mitigating and aggravating factors.

More adult sex offenders are being imprisoned and they are being imprisoned for longer. The number of prisoners serving immediate custodial sentences for sexual offences is at its highest since 2002. At the end of last year, more than 13,000 adult sex offenders were in prison. That is a rise of 9% on the preceding 12 months, and is up by more than 5,000 since 2010.

Gareth Johnson: The Minister will recall that the manifesto that she and I stood on at the last general election included a commitment to extend the scope of the unduly lenient sentence scheme. Even after the Budget, our manifesto must mean something. Does she therefore agree that it is time to extend the scope of the unduly lenient sentence scheme to include the distribution and creation of indecent pictures of children?

Sarah Newton: I am grateful to my hon. Friend for raising that important issue. He must have read my mind, because I was coming to it. The manifesto we stood on does mean something, and I am pleased to confirm that the Attorney General is undertaking that work as we speak. The scope of unduly lenient sentences is being reviewed at the moment. I hope that gives my hon. Friend the satisfaction for which he rightly asks.

I was asked by other hon. Members to look at other aspects of the criminal justice system. Although they are the responsibility of the Ministry of Justice, I will do so. I agree that it is important that, if perpetrators who are arrested have a range of digital devices, they should be forfeited and searched for inappropriate images. As we have heard, that puts a lot of demand on the police, but new digital tools, such as CAID and fingerprinting, enable much faster recognition of images and should enable the police to manage the increased demand.

Simon Hart: In the Minister’s representations to the MOJ, will she commit to raising the issue of whether the Criminal Injuries Compensation Authority reflects the 21st century? It has been put to me that it treats the crimes of sexual assault by penetration and rape entirely differently. Any victim of those crimes would find that an extraordinary distinction.

Sarah Newton: My hon. Friend makes a very important point. Of course I will speak to my colleagues in the Ministry of Justice.

I want to finish my point on perpetrators time-wasting, demanding things of the police and extracting information from forfeited devices. The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) gave an example of a teacher who undoubtedly, as they were going on the sex offenders register, would never be a teacher again. They did not need the teaching plans and resources that they wanted to extract from their computer. That was a dreadful waste of police time. I will certainly take that up to see what more we can do to clamp down on it.

The Prime Minister recently said that she is minded to introduce a new Bill in the next Session to look at what more we can do about domestic abuse and domestic violence. This debate is specifically about child sexual violence and abuse, but that Bill will enable us to look at what more we can do legally. The Home Secretary will chair a group of experts to look at what more we can do to support victims in the criminal justice system to ensure their experience is as positive as possible. The evidence
that we get will secure the best possible outcomes. As that Bill is developed, there will be opportunities to look at some of the issues that have been raised today.

A question was asked about what is called Helen’s law. We heard about the absolutely horrendous situation of families who want to know where the bodies of their loved ones have been put by the horrendous criminals who perpetrated those acts. I am a mother myself, so I understand that families want to know exactly where their children’s remains are so they can be reunited with them, lay them to rest and have a place to visit them. The Justice Minister made it clear that he is looking at options to encourage offenders to say where the remains are, including making their release conditional on declaring that information. The Ministry of Justice is doing good work to ensure that happens.

Catherine McKinnell: The Minister is giving a very thorough response to many of the issues that were raised, but one issue that she has not touched upon, which does not always seem a priority but could go a long way to protecting children in the future, is rehabilitation. Does she have a response to the questions I asked about funding for the rehabilitation of offenders or potential offenders?

Sarah Newton: I am very happy to talk about that. We are undertaking a comprehensive piece of work in the Home Office with experts, academics, law enforcement officers and some particularly good charities that have a good track record, to ensure that young people understand what consent is, what good relationships are and what the law of the land is. We have seen reports about the amount of sex offending committed by young people against other young people. The very tragic case that we are talking about today involved an older person who perpetrated a terrible crime against a child, but there is a growing category of younger people who commit appalling abuse—even rape—against children younger than themselves. We are doing a lot of work to educate young people that that is simply wrong and about what good relationships look like. The Child Exploitation and Online Protection Centre, the association for personal, social and health and economic education—the PSHE Association—and the Department for Education have developed extremely good tools to enable teachers, parents and youth workers to engage young people.

I expect that people have seen Disrespect NoBody, a large campaign that the Home Office funds every year. It uses material developed by children that they can see online on their phones and iPads to get those messages across. We work with young people to develop age-appropriate messages, and campaigns are thoroughly evaluated to ensure that they are having the right effect. Now that sex and relationship education and PSHE are to be compulsory, there will be even further opportunity to send that message to everyone.

We know that a lot of young men view images of young girls online, but that they do not realise that what they are doing is illegal. They seem to think that it is a victimless crime. They do not appreciate that a girl is being abused to make those images, that every time someone watches them she is being re-abused, and how devastating that is. We have worked with experts in the field to make hard-hitting little films that are put out on the internet to communicate to young men—I am afraid that it is young men—who might be tempted to view that material or who might inadvertently come across it. The films are to educate them about the harm and to prevent them from becoming criminals—if they were caught, they would be convicted of a criminal offence and go on the sex offenders register, which would have a devastating effect on their life.

We are working with the Lucy Faithfull Foundation. Where we know perpetrators are watching images, we want to send out clear messages that they are illegal, and about the harm they are doing. We want to give them access to help lines where they can get advice on how to wean themselves off their addiction—it is an addiction. We also fund care and support services for the perpetrators, enabling them to say, “I want to stop this behaviour but I need help to do it.”

That is all new and emerging work. It is important to build up the evidence base on its effectiveness, so that we understand what works, what does not, the risk profile of the perpetrators, and who can be diverted or prevented from behaviour escalating into contact abuse. We take that seriously and invest in it, and we want to leave no stone unturned in preventing people from watching those dreadful images and all the abuse that goes with them. I hope that that is a full answer for the hon. Member for Newcastle upon Tyne North.

Some hon. Members mentioned the comments of Chief Constable Simon Bailey. As politicians, none of us is a stranger to being misquoted, or having our quotes being taken out of context so that we do not say everything we would want. That is what happened to the chief constable in this case. It was helpful for the Chair of the Home Affairs Committee to write to ask him about some of the comments he made and the media published. My understanding is that he has written back a full response, which will be published on the Select Committee’s website. The chief constable does not need me to speak for him—he is more than capable of speaking for himself—and it is important for Members to read what he has to say. He might be appearing before the Select Committee, when Committee members will have further opportunity to ask him about what he said so that there is absolute clarity.

I can assure the House, however, that the Government’s policy has not changed. As we have discussed today, issues to do with sex offenders are complicated and contentious, but our position is crystal clear and unequivocal: we will reduce the harm to children and other vulnerable people; we will continue to protect the public; and we will keep dangerous people on the sex offenders register for as long as they are a risk. I am proud of the progress we are making to tackle all aspects of violence against women and girls and to protect all victims, but the truly terrible murder of April Jones highlights how much all of us need to do to protect victims. In my time as Minister, I am determined to do absolutely everything I can to protect people in our country and to bring those perpetrators to justice.

5.53 pm

Catherine McKinnell: I do not have much more to add to the debate, because the Minister has given a thorough reply to all the questions asked. Many of her
responses have been reassuring, and some have clarified areas on which we all need to work together in future. The Minister was absolutely right when she said that this is an issue that transcends party politics. We have representatives present from all parts of the House, and we have a common interest to ensure that we all work together to protect children in the best way possible.

I want to add a final, sincere word to thank the Jones family for the way in which they have turned the most unimaginable horror into an opportunity to make our legal and parliamentary processes and procedures more responsive to the clear need to protect our children better from those horrendous crimes. I thank the Jones family for everything they have done. I also thank Members for their contributions to today's debate. This is not the end of the conversation. I feel that it is very much the beginning of work that needs to go on.

Question put and agreed to.

Resolved,

That this House has considered e-petition 166711 relating to sentencing for child abuse offences.

5.55 pm

Sitting adjourned.
Health and Social Care Budgets

9.30 am

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I beg to move, That this House has considered budgets for health and social care.

It is a pleasure, as ever, to serve under your chairmanship, Mr Bailey. I thank the Backbench Business Committee for granting this important debate about the funding of health and social care. I pay tribute to my fellow Committee Chairs—the hon. Member for Totnes (Dr Wollaston), Chair of the Select Committee on Health, and my hon. Friend the Member for Sheffield South East (Mr Betts), Chair of the Select Committee on Communities and Local Government—for their work, including with my Committee, to shine a light on the challenges of funding our health and social care system for the next generations. I also pay tribute to the Select Committee on Public Administration and Constitutional Affairs for its work in this area. The fact that four Select Committees, and three in particular, are focusing their attention on the issue demonstrates its importance to the nation and to the long-term health of our citizens.

The Public Accounts Committee’s view and concern, which is well documented in a dozen reports produced by us in this Parliament alone, is that there is a challenge with the funding settlement for the national health service. I will not repeat all the arguments that I made in the Chamber during the debate on the estimates the other week, but we are also in the grip of a crisis in social care. The NHS accounts are showing the strain again as we approach the year end.

Last year, as I am well documented as saying, the Comptroller and Auditor General put an extraordinary commentary on the Department of Health accounts, which were laid on the last day of Parliament’s sitting. Extraordinary measures were taken to get them into balance—again, I will not mention them all, but it was a difficult adjustment. The permanent secretary at the Department of Health has acknowledged that that was not good enough, and that such one-off measures should not be repeated. We are now hearing concerns that NHS trusts are delaying paying their suppliers in order to ensure that their budgets balance. We know that, once again, capital funds will be raided and converted into resource funding to keep the NHS on track.

My Committee has discovered that funding in every area of the NHS is facing increasing demand, including specialist services, diabetes and discharge from hospital, which we have considered. The increasing age of the population and advances in medicine mean greater demand on our national health service. When the Government tell us that they are putting more money into the NHS, we must treat that with caution: more money without consideration for the number of people using the service and those who will need it in future is not always enough. Not only is the money not meeting current need, but it will not meet the growing demand.

I will speak briefly, as I am aware that 15 or so Members are scheduled to speak in this debate. The Budget came up with some solutions, as the Chancellor sees them, for funding the NHS. Our concern is that, once again, piecemeal funding is being offered rather than long-term solutions. The Chancellor talked about putting £2 billion into social care, £1 billion of it in the next financial year, starting in April. However, the Local Government Association estimates that more than £1 billion every year is needed to fund the gap in social care. The 2% council tax, often vaunted as a great solution, is a challenge in some areas, particularly where the council tax base is low. My own local authority has increased council tax to cover it, which of course means that local taxpayers are helping fund the system.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I congratulate my hon. Friend on securing this important debate. Dementia Care, a charity based in my constituency, has deep concerns about the current and future funding plans for social care. Dementia Care believes, and I agree, that funding should be based on need, not on a local area’s ability to raise council tax, which clearly disadvantages people in areas such as Newcastle. I know that my hon. Friend shares this view, but I wanted to reiterate on the record that charities providing vital services up and down the country share her concerns.

Meg Hillier: I know that my hon. Friend the Member for Sheffield South East will discuss the funding of social care in more detail.

Caroline Lucas (Brighton, Pavilion) (Green): I, too, congratulate the hon. Lady. Does she agree that Ministers are engaged in wishful thinking? The ability to reduce the number of hospital beds relies on the availability of better and more social care, yet in Brighton our sustainability and transformation plan footprint means that we are being forced to find another £112 million in efficiencies specifically in social care. It just does not add up, and it is not sustainable.

Meg Hillier: One concern that our Committee has uncovered is the pressure to make 4% efficiency savings. That figure was used in the last Parliament, but has now been acknowledged to be too stiff a target. However, we are also seeing a move to 4% efficiency savings in STPs. That is challenging to achieve while going through transformation. One would expect the Public Accounts Committee to be no slouch in considering where efficiencies can be found, but even with efficiencies there is just not enough money in the system. It is being squeezed.

One welcome aspect of the Budget—I hope that the Minister can give us more detail—is that there will be a Green Paper later in the year on the future funding of social care; again, I know that my hon. Friend the Member for Sheffield South East will want to talk more about that. There are also other bits of money: £100 million to support 100 new on-site GP triage projects at accident and emergency departments in hospitals in time for next winter; £325 million in capital funding to support the implementation of sustainability and transformation plans that are ready to proceed; and a multi-year capital programme for health. That all sounds like a lot of money, but relative to the total NHS budget, it is a very small amount, and the concern is that it is not long-term and sustainable. That is what our Committee said. A long-term plan is necessary for funding the NHS.
After looking at this year’s accounts, we are concerned about the number of trusts in deficit; perhaps the Minister can update us on that. As of month 9 of this financial year, 74 of 238 trusts were in deficit, to the tune of £886 million total. Granted, that is less than the £2.5 billion last year, but it is still not a healthy situation. Raiding capital funds to pay for resource and other such measures is just not acceptable in the long term.

Jason McCartney (Colne Valley) (Con): I commend the hon. Lady on working cross-party to find long-term solutions for the huge issues facing social care and the NHS. She highlighted the fact that capital money has been transferred to revenue. Does she agree that in places such as Huddersfield, in my area, that makes the prospect of looking for another disastrous private finance initiative deal to fund capital improvements more likely? The disastrous PFI at Halifax is now dictating disastrous changes at Huddersfield; services are being moved to fund that PFI deal.

Meg Hillier: The hon. Gentleman rightly highlights that the NHS is not new to challenges in dealing with capital projects. One of our concerns about taking out capital is that NHS buildings and equipment will deteriorate, costing more in the end. That is not good value for money, which is what my Committee considers. We should all be watching the situation. The consequences might not be apparent today, but they will become so as time goes on, and we as parliamentarians need to keep a close eye on what is happening in our local area. I am glad that the hon. Gentleman is doing so.

I will finish, as I am aware that an awful lot of Members want to speak. We must not forget that the situation has an impact on patients. For instance, the target for accident and emergency waiting times is 95%, but actual performance is just under 87%. Diagnostic waiting times have risen from 1% to 1.68%, and referral to treatment within 18 weeks has not reached its 92% target; it is just under 90%, at 89.41%. The number of people waiting more than 52 weeks for referral to treatment is 1,220. Those are just some of the figures demonstrating the impact of how NHS and social care finances are being managed and what is happening to patient outcomes.

Ms Margaret Ritchie (South Down) (SDLP): I congratulate the hon. Lady on securing this much needed debate. Does she agree with me and other stakeholders that a comprehensive review is needed in which everybody—stakeholders, the Government and the Opposition—works together to find a way forward for a comprehensive funding solution?

Meg Hillier: The hon. Lady neatly brings me to my conclusion. That is what we need: a long-term, sustainable future for our national health service. The present situation will not last from Parliament to Parliament and from one governing party to another. We need to agree a way forward and have a national conversation. We did that with pensions. It was difficult, but we got there—I know that there are still issues, but we reached cross-party agreement. We cannot chop and change, and we cannot have Governments pretending that throwing a little bit of money at the problem in a Budget is a solution. We need a long-term, sustainable solution and a national conversation about what the NHS will deliver and what outcomes we want to achieve.

Several hon. Members rose—

Mr Adrian Bailey (in the Chair): Order. Before I call the next speaker, I will just make it clear that I am trying to shoehorn a three-hour debate into one and a half hours. I need to call the Chairs of the relevant Select Committees, and I am looking for five minutes each from them. There will be a hard and fast three-minute time limit for subsequent Back-Bench contributions. If anyone wishes to intervene, they are perfectly free to do so, but I might take it into consideration when I consider the order of speakers.

9.40 am

Dr Sarah Wollaston (Totnes) (Con): It is a pleasure to follow the hon. Member for Hackney South and Shoreditch (Meg Hillier). I pay tribute to all the Select Committees and their members for the work that they done and to all those outside this House who made the compelling case that led to the announcements in the Budget. I say to the Minister that I unequivocally welcome those announcements, and I thank the Government for listening to the case that was made, not only about social care but about capital.

However, I would nuance some of that, because the point about social care is that we must not consider it “job done”. The £2 billion over the next three years is very welcome—it is also welcome that it has been profiled to address the back-loading of the previous settlement. However, I would like the Minister to say how we will ensure that it gets to the frontline and is distributed fairly according to need, and also that that reflects the different abilities of councils to raise their own money through the social care precept, because that is important for public confidence about how the money is spent.

I also welcome the announcements on capital—the £325 million for the sustainability and transformation plans that are ahead of time is very welcome. I look forward to the announcements in the autumn Budget about further money, although the Minister will know that £1.2 billion has been transferred to revenue from capital. That is an ongoing issue that is hampering the ability of areas to put effective plans in place. Will he touch on that and say how quickly he thinks we will get to a position where we do not see these capital-to-revenue transfers as being necessary?

Another welcome announcement was about the capital improvements available to accident and emergency departments, although I would caution that this is being linked to putting general practitioners alongside casualty departments through co-location. This is not only about funding; it is about having a general practice workforce that can fund these co-located departments alongside out-of-hours departments and providing routine surgeries on Sundays. I am afraid that we simply do not have the workforce to sustain that activity. I know that there is a commitment to increase the workforce in primary care, but that is alongside a significant retirement bulge in primary care. Something will have to give. As things stand, I simply do not feel that we have the workforce to do that work.
Finally on the Budget, there was a very welcome announcement of a review and a Green Paper in the autumn, which we all look forward to. However, I call on the Government to stop and take stock, because next year will be the 70th birthday of the NHS, and it will come at a time when it is under unprecedented financial pressure. Over the last Parliament we saw a 1.1% annual uplift, against the background of uplifts of around 3.8% traditionally since the late ‘70s. This is a sustained financial squeeze, at the same time as an extraordinary demographic change and an increase in demand across the whole service. As welcome as the announcements were last week, I am afraid that they do not go far enough to address the scale of the generational challenge that we face. It is of course very welcome that more people are living longer, but that is happening alongside a shrinking base of our working population who are able to fund that demand.

We simply cannot carry on as we are. If the review focuses simply on social care, we will miss an extraordinary opportunity to address the issue in time for the 70th anniversary of the NHS. I would therefore ask the Minister to go back to colleagues and say, “Can we widen this Green Paper to take in health and social care, and can we try to do that on a consensual, cross-party basis?”; as has been said by many across the House. Notwithstanding the issues about that in the past, the scale of the challenge is so great that we owe it to all our constituents to put that aside and to take nothing off the table in considering the scale of the challenge and the solutions ahead.

We have an opportunity to explain that to the public, because whenever I address public meetings and I ask people whether they would be prepared to pay more to fund our health and social care adequately, I find that the response is almost unanimous. People are ready for this. They understand the pressures, and they value health and social care immensely. That would be my big ask of the Minister: think again, widen the review, make it consensual and explain it to the public. Let us get the consent and move forward.

9.45 am

Mr Clive Betts (Sheffield South East) (Lab): It is a pleasure to follow the two Select Committee Chairs, my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) and the hon. Member for Totnes (Dr Wollaston); we have worked very closely on these issues. It is also a great pleasure to see so many other colleagues in the Chamber today. It is obvious that social care and health issues are now coming very high up the agenda, which is absolutely right.

I will refer to the report that the Communities and Local Government Committee has just produced, “Adult social care: a pre-Budget report”. In the next few weeks, we will produce a longer report about longer-term issues in social care. To begin in the here and now, the Committee welcomed the fact that the Government have allowed local authorities to increase the precept in the next two years and have encouraged local authorities to take up that offer, while still recognising that there are challenges around the fact that the precept raises very different amounts of money in different local authority areas. We asked for an immediate further injection of £1.5 billion, so it is welcome that the Chancellor announced an increase of £1 billion, even though £1.5 billion would have been more welcome—I think that is how the Committee will look at that.

Recognising that that would not be a permanent solution for this Parliament, however, we asked for the National Audit Office to be given the responsibility to look at what is required for the rest of this Parliament—the further two years of the spending rounds—to address the issues in social care. Those issues are very real, with an increase by a third in the number of people in their 80s or 90s over a 10-year period, with local authority spending on social care down by 7% since 2010 in real terms, with the increase in the minimum wage, with the Care Act 2014 and with all these other pressures.

Paul Blomfield (Sheffield Central) (Lab): Does my hon. Friend recognise that there are two groups of victims of the crisis in social care? They are not only those who depend on the services, but those who work in the sector and who face, for example, widespread non-compliance with national minimum wage legislation, which the Government are aware of but not acting on. Does he agree that needs to be recognised in a future settlement? We need a paradigm shift in how we view care work.

Mr Betts: We will return to the proper training, long-term commitment and pay of staff in the care sector in our Committee’s further report, but we certainly had evidence to that effect.

We need another way of dealing with the funding gap for the rest of this Parliament. For the longer term, I very much welcome the announcement of the Green Paper, but I echo the comments of the two previous speakers. We need to get cross-party agreement on a sustainable, long-term settlement that will last not merely for the next Parliament, but for several Parliaments after that. There are major challenges. I agree that we should look at health and social care together, but there are fundamental differences in governance and accountability between the two systems, so how do we resolve that?

We should certainly look closely at what is happening in Manchester, to learn about the devolution deal there and how the two can work together within the same governance structure. Personally, I feel that losing the local accountability that the social care system currently has and simply centralising the whole system would be a mistake. That would take us in the wrong direction, so it is important to look at what is happening in Manchester. We have two very different funding systems. We have the health system, which is free at the point of use, but I do not think that anyone suggested in evidence that we could fund social care on exactly the same basis. We will have to consider something slightly different to fund social care, but how the two systems fit together will be a challenge.

If we are considering the future for social care funding, we should bear in mind that currently we have a mixture of funding. We have some central Government funding, local authority funding and the personal contributions that come through people paying for their care, particularly in residential homes, and what happens to their estate when they die. Will that mean a bit extra from those different elements—a bit more from central Government, local Government and personal contributions—so that
the total whole grows? However, the Government have said that they will introduce the Dilnot proposals in the next Parliament—that is what the Minister said to us—which will cap and reduce the contributions that may come in from people's private estates when they die, so does that mean more money from somewhere else?

I am sorry that the Chancellor did this, because everything should be on the table, but he ruled out a different way of taxing or receiving contributions from people's personal estates when they die: taking a percentage of everyone's estate. Currently, people contribute their estate if they end up with dementia and go into a care home, but if they have a heart attack, they tend to contribute nothing. Is that system fair? Is that a challenge we must look at? Even with Dilnot, the £72,000 limit would take most of the estate from a small house sold when someone in my constituency dies, but it would be only a fraction of the value of a property sold in the more expensive parts of London. Is that fair either? Do we simply scrap the whole thing and go on to a German system of social insurance?

The Communities and Local Government Committee went to Germany to have a look at its model. There are pros and cons to it, but we really need to put everything on the table and not rule out any possibilities. We need something that we can, in the end, reach cross-party agreement on, recognising that the social care system will probably be different in its funding from the health system. How they can fit together and be governed together will be absolutely crucial to the success of a long-term settlement, when we eventually reach one.

Mr Adrian Bailey (in the Chair): I remind Back-Bench contributors that there is a three-minute time limit. I call Anne Marie Morris.

9.51 am

Anne Marie Morris (Newton Abbot) (Con): I shall be brief, Mr Bailey.

Our NHS is the envy of the world; our social care system, frankly, is not. Much has changed since the war years, and that has not yet been reflected or accepted. The health budget of £120 billion sounds a lot, but it is inadequate. It assumes that demand is falling; it is not, it is rising. Even NHS England has admitted that it is not enough. It is not sustainable—that is what the Public Accounts Committee report has set out. Trusts are still in deficit. Clinical commissioning groups have a very varied outcome, financially. The GP triaging offer is welcome, but it is a drop in a proverbial ocean.

The move to sustainability and transformation plans is absolutely right; the problem is that it is not properly funded and we are considering implementing models of care that are untried, untested and uncosted. That cannot be right. There is no transition funding and, although I welcome the capital funding for the project, £325 million is, I am afraid, not enough, Minister. Social care represents a third of local authority spending. We currently spend £14.4 billion. Unlike with the NHS, it is means-tested. Again, demand is going up but the funding is going down.

The funding to local government is inadequate. The 3% precept is helpful, but those of us in rural areas clearly have to pay more because we pay more council tax overall, compared with input from the state. The £2 billion is very welcome, but as my neighbour, my hon. Friend the Member for Totnes (Dr Wollaston), explained, it is a little bit but not enough and we need a proper review. We must also ensure that that money does not get stuck with our local authorities. That has happened before and I would not be happy with its happening again.

On the big picture, we do not really measure the system. We do not look at, or measure, need. We do not look at the people who do not even ask for help. Until we start measuring input, output and outcomes across the whole of health and social care, we will not solve the problem. The Green Paper is extremely welcome, and I agree with my hon. Friend the Member for Totnes that it must cover both health and social care. It would be better than a commission, but it must look at the whole system. It must look at the free/means-tested issue. It must look at integration, joint commissioning and a joint budget and accept some structural changes. We have had Sutherland, Wanless, Dilnot and Barker; the issue really is not that simple.

The Government must face up to the problem, but the public also must play their part. We have to accept change, and that is not easy. We must, as others have said, look at general tax, hypothecated tax, insurance, compulsory saving and much more, but the issue is not about just money, but models of care. While we are at it, Minister, please could we have some fair funding for rural areas? We have a disproportionate number of over-85s and rural sparsity that is not properly dealt with. Please Minister, can we have honest acceptance of the problem and the will to face up to it?

9.54 am

Karin Smyth (Bristol South) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey, and also to serve on the Public Accounts Committee.

Whatever the right level of funding is, there must be agreement on what that is and, crucially, on what it can provide. In our Select Committee sittings over the past year, we have come to the conclusion that the promised programme cannot be delivered with the money available. Via the NHS mandate, which sets out each year what is expected, we know what the NHS is set to provide and what money is available. However, today is 14 March and we have not really had sight of what is mandated for next year.

The mandate is a requirement of the Health and Social Care Act 2012; it sets the direction for the NHS, helps to ensure accountability to Parliament and, crucially, sets objectives. We know from this year’s mandate that the indicative budget from April is £109,853,000 and the capital is £310 million, but it would be useful to hear from the Minister today when we can expect to see next year’s mandate.

The second crucial document in this debate is the NHS constitution, which we do not talk about enough. The constitution sets out the rights to which patients, the public and staff are entitled, including consultant-led care within 18 weeks of a referral from a GP and a
specialist referral from a GP for urgent cases when it comes to suspected cancer. It sets out pledges and people’s responsibilities.

I agree that we need to involve the public much more in this debate. Waiting times will, I think, quickly start to increase. We have already seen today information from the King’s Fund on what is happening with hip operations. We will, invariably, go back to the days of the 1990s, with longer lists. Access to GPs and other professionals will continue to decrease and, largely, we will start to depend more on families and local care—not just for social care, but because of the consequences of not having well-accessed healthcare. Staff will become more demoralised and we know that morale is crucial for patient safety.

What I want to hear from the Government today, therefore, is how we are going to include the public in the trade-offs that are now necessary with the sustainability and transformation plans in local communities. How will that be done? Will Parliament start to debate the erosion of the NHS constitution and the rights that people have come to expect? Crucially, will the Minister say when—within the next two and a half weeks—we will see the mandate, so that we will know what funds are available and what they are set out to do?

9.56 am

David Mackintosh (Northampton South) (Con): Like many colleagues from across the House, I recognise that the issue of adult social care is not easy to fix. It will affect many of our constituents at some point in their lifetimes, and some of the barriers to care can be heart-breaking for families.

In May this year, I will stand down as a county councillor in Northamptonshire after eight years’ service; I was also leader of Northampton Borough Council for four years, so I have witnessed at first hand how the system works. Also, as a member of the Communities and Local Government Committee, I have been part of a four-month inquiry into adult social care. We published an interim report ahead of the Budget. I have also had discussions with professionals in the system, from the chief executive of Northampton general hospital down to care workers.

It is clear that the recently announced additional £2 billion of new money in social care is welcome. I recognise that it shows that the Government have listened to representations made by many Members of the House and the social care sector, and to the Select Committee recommendations. But no one on either side of the House is under any illusion that that will fix everything or, indeed, that money is the only issue. It is vital that the systemic problems in some cases can lead to financial pressures, which will only get greater as we have an ageing population, demographic growth and enhanced medical treatment. Often, too many organisations are involved: the poor family can get overwhelmed and unsure about which organisation is dealing with which part of the care package and who they should be chasing to make something happen.

The carers and staff involved are usually equally frustrated, and concerned for the patient and their family. The Green Paper needs to focus both on the structural barriers that prevent care packages from being put in place or patients from being discharged from hospital, and on a serious examination of how the different organisations involved work together. In my opinion, the review must take a wide-ranging look at whether the organisations currently involved are fit for purpose, whether the current splits between health and adult social care can be justified, and the possibilities for reform.

9.59 am

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I congratulate my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) on securing this important debate. I want to draw attention to the crisis in social care in Liverpool. The background is the severe cuts put on a city with a very low council tax base. Some 80% of Liverpool’s properties are in council bands A and B. Cuts to Government funding will reach 68% by 2020, resulting in a £90 million cut in funding for adult social care. The consequences up to now have been a reduction in social care packages from 14,000 to 9,000.

There are two aspects to social care: domiciliary care that enables people to live independently in their own homes, and social care that enables people to be discharged from hospital. Both are equally important. I certainly welcome the announcement of an additional £27 million for Liverpool over the next three years from the £2 billion additional allocation. That money is very important and has staved off an immediate crisis, but it will be eaten up by demographic changes.

For example, the increase in the number of people aged 65 and over will lead to an £8 million increase in cost next year. The increase in funding required to implement the living wage means that an additional £25 million is required by 2019-20. Welcome as that £27 million is, it will be eaten up by those increases. The situation is compounded by an error by the Department for Communities and Local Government in assessing how much funding could be raised from Liverpool’s council tax. I gather that that error has now been rectified, but it confused the situation.

What do we need? Additional funding now is welcome, but we need long-term consistent funding related to need and more integration between the national health
service and social care. I recognise the problems that the Chair of the Select Committee, the hon. Member for Totnes (Dr Wollaston), identified, but a move towards integration is essential. Liverpool is innovative and is already trying to do that, but it needs funding and general support from the Government to enable it to work constructively with the NHS.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate the hon. Member for Hackney South and Shoreditch (Meg Hillier) on securing this important debate. I would like to touch on three different elements of adult social care: the short, medium and long-term aspects of funding. In the short term, the Government have allowed revenue raising of nearly £14 billion since 2010; most recently, there was the £2 billion in the Budget. That was very welcome and has had an immediate impact on my constituency. North Yorkshire will see an extra £18 million over three years. While I very much appreciate that response to the various different submissions that have been made, I think that most people, including the Chancellor, accept that it does not provide a long-term solution.

The medium-term solution would be to look at business rates retention, which is coming down the line for 2020. A lot more money will be coming into the system, with £12.5 billion to local authorities. What bang for their buck the Government want for that, we do not quite know. The reality is that more money will be coming in, but the point has been made that the current distribution of local authority funding is not fit for purpose. There is no correlation between the need in local authorities and the amount of funding that goes in. It is based on an old formula—regression—and we need it to be based on cost drivers, which are around such things as age and deprivation.

We often fight the battle here between rural authorities and metropolitan authorities, but the battle we should be fighting is about the fact that the lion’s share of funding goes to London authorities. If we add up all the different elements, including the revenue support grant, business rates and council tax, total spending power in London is on average 40% higher than any other authority. Often those London authorities have lower need, younger populations and wealthier populations. There is no correlation, and I think we all want to see a fair system. I have nothing against London—it is a fantastic place—but I want a fair deal for North Yorkshire.

The other issue with business rates retention is the quantum. Will it grow to meet the need as need grows? The need is growing exponentially, and we need a longer-term solution. We have hugely increasing demand, and there needs to be correlation between need and the money coming in. In business, we always used to say when we came to such problems, “Ideas are ten a penny. We need a proven solution that is sustainable and scalable.” On our Select Committee visit to Germany, we saw that sustainable, scalable solution, which was delivered with cross-party agreement. I absolutely agree with the calls for us to tackle the issue on a cross-party basis.

Mr Ben Bradshaw (Exeter) (Lab): I think there is a consensus in Westminster Hall, informed by multiple Select Committee reports that have highlighted the crisis in our health and social care system. My clinical commissioning group is facing a £40 million deficit. My local hospital, which is one of the best run in the country, is facing a £20 million deficit. It is obvious that that simply is not sustainable.

As other colleagues have pointed out, accident and emergency figures are deteriorating, waiting times are lengthening and there are increasing difficulties in seeing a GP. In Devon, we face controversial plans to close community hospital beds and to close a number of community hospitals completely. That is not an accident; it is the result of seven years of the most stringent restraint on NHS investment in its history, combined with 40% cuts to social care when we have a growing elderly population and increasing demand. The issue was exacerbated by the disastrous Lansley reforms in the Health and Social Care Act 2012—the biggest structural upheaval in the NHS’s history—implemented at the same time as maximum spending restraint.

As well as that organisational upheaval, we face a workforce crisis in health and social care, as the Chair of the Select Committee, the hon. Member for Totnes (Dr Wollaston), pointed out. That has been exacerbated by the uncertainty over Brexit. Until recently, the Government have appeared pretty oblivious to all that. The £2 billion extra in the Budget was welcome, but it is a drop in the ocean compared with the amount of money that is needed.

I welcome the commitment in the Green Paper to look root and branch at a sustainable funding solution for health and social care. I worry, however, that a Green Paper is often a euphemism for kicking an issue into the green grass. I would like to see a policy announcement or a White Paper. As colleagues have pointed out, we have had much cross-party support. One proposal was scuppered in the run-up to the last general election. I worry that to grapple with the issue in the second half of a Parliament is not sensible timing. Governments need to get a grip on the issue at the beginning of a Parliament so that there is maximum timing. Governments need to get a grip on the issue at the beginning of a Parliament so that there is maximum time for cross-party working to get something in place. I am not optimistic that the Green Paper will come to a conclusion.

We also need to have an honest conversation with the British public about how we fund health and social care. I share Members’ regret that the Chancellor seems to have ruled out any sort of posthumous levy on people’s estates. We need to look at all options, including the excellent sugar tax that was recommended by our Select Committee. It is already having a dramatic effect in getting drinks manufacturers to reduce the sugar in their products and therefore improve public health.

Finally, we would like the Government to end the uncertainty over EU nationals working here in our health and social care system. They could do that today when the Prime Minister stands up in the House and gives her statement on article 50. That would give a huge boost to morale and end the uncertainty. People are already leaving, and the system is not able to recruit. That workforce crisis will do more damage in the short term than anything else.
10.8 am

Peter Heaton-Jones (North Devon) (Con): It is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate the hon. Member for Hackney South and Shoreditch (Meg Hillier) on securing this important debate. It will not surprise colleagues to hear that I am unashamedly here to speak up for Devon, and North Devon in particular. We are part of the south-west, and it is significant, looking around the Chamber, to see so many Members from the south-west from all sides. It is because we are concerned that rural areas in the south-west are not getting our fair share in the distribution of available funds.

I join my hon. Friend the Member for Totnes (Dr Wollaston) in unequivocally welcoming the extra money that the Government have put into health and social care. The £10 billion extra for the NHS over this Parliament and the £2 billion for social care announced in the Budget are extremely welcome, as are the extra revenue-raising powers that have been given to local authorities for social care, and I thank the Minister and his team for those.

However, we need our fair share in areas such as Devon and the south-west. As has been mentioned by the right hon. Member for Exeter (Mr Bradshaw), we face a sustainability and transformation plan that is causing huge concern among my residents in North Devon and among those of other colleagues here from Devon constituencies. There are particular concerns about the future of some acute services at North Devon district hospital. I have said before and I will say again that any cuts to services at that hospital would be absolutely unacceptable. That is because of what I describe as the three Ds: distances, demographics and deprivation. I will not rehearse the arguments here; the Minister knows them well. He has been kind enough to hear me out on many occasions, as have the Secretary of State and many others. Those three factors in Devon and in North Devon in particular mean that we have to look at a fairer way of funding our health service so that we get the services we need. I repeat that any cuts to services at North Devon District Hospital would be absolutely unacceptable.

The holy grail of social care is the integration of the health and social care systems, which many colleagues have mentioned. I want to pay tribute to the Northern Devon Healthcare NHS Trust, which does better than most in working with its social care partners to ensure that packages of care are in place when people are able to move out of hospital. I welcome the hard work of all many Members from the south-west from all sides. It is because we are concerned that rural areas in the south-west are not getting our fair share in the distribution of available funds.

Mims Davies (Eastleigh) (Con): Will my hon. Friend give way?

Peter Heaton-Jones: I will not. The Chair was clear about the time limits; I apologise to my hon. Friend.

I will end by saying we must remember the three Ds. Let us work together across parties to find a long-term solution for the fairer funding of health and social care.

10.11 am

Norman Lamb (North Norfolk) (LD): The consensus in this room on the scale of the challenge that we face strikes me as remarkable. The £1 billion for social care this coming year is welcome, but against the £2 billion gap identified by the Health Foundation, the real risk is that this will result in more older people ending up unnecessarily in hospitals because care fails at home, which puts more pressure on the NHS. In the following financial year, 2018-19, real-terms spending per head on the NHS will start to fall. That is a remarkable statistic. At a time when demand is rising rapidly, that makes no sense to anyone, wherever they are on the political spectrum. I want to touch on the human consequences of that.

Across the country families with children who have significant mental health problems routinely wait months for treatment. They suffer enormous anxiety. A man in my constituency was told he had a two-year wait for the adult ADHD clinic. Routinely across the country we are breaching the referral to treatment standard on cancer care. There is now an awful insidious trend whereby anyone who has money—we cannot blame people for this—is minded to opt out and fast-track treatment privately. Families faced with long delays do what they can for their loved ones, but do any of us really want to live in a country where timely access to treatment and potentially survival depend on whether we can pay? That is where we are heading.

No party has come up with a full solution to the crisis facing our NHS and care system. We have to be honest about that. Collectively, we are letting down the people of this country. It is remarkable how many speakers today have called for the Government to embrace a cross-party process. A load of MPs—senior MPs, Select Committee Chairs and former Ministers—have come together to call on the Prime Minister to establish an NHS and care convention to engage with the public in the mature discussion that we know we need to have but keep putting off. So I call on the Minister to support us within government, be audacious and recognise that this is a once-in-a-lifetime challenge. The Government will get credit for working with others to achieve the solution that this country badly needs.

10.14 am

Kevin Foster (Torbay) (Con): It is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate my friend from the Public Accounts Committee, the hon. Member for Hackney South and Shoreditch (Meg Hillier), on securing this debate, which is welcome. To start on a positive note, we are having this debate because the NHS has been a great success. Life expectancy in England is now approaching 81, which would have been unimaginable when the service first started. Treatments in today’s hospitals would have been seen only in “Star Trek” in the late 1980s. So, to be positive, the story is about how we deal with a challenge created by the greatest success.

I remember my time in local government. Other former councillors in the room may have seen the same graph showing that emptying bins and disposing of rubbish and social care would be the only thing left that councils would be able to afford to provide owing to the predicted rise in the cost of social care as demand increased. We have heard a lot today about the possibility of integrating services. It can certainly reflect on the challenges that my hon. Friend the Member for Northampton South (David Mackintosh) faced in terms of different budgets and different organisations.
In Torbay we have an integrated care organisation that is fairly successful in removing barriers. It has certainly helped contribute to one of the lowest levels, if not the lowest level, of delayed discharges over winter, yet now we are having to discuss how the risk-share agreement is structured, because the NHS organisations still need to comply with budgetary rules for them as individual organisations. It is not about the amount of money in the system overall; it is not about the spending of taxpayer pounds; it is about how that is divvied up in terms of a risk-share agreement. That is the exact opposite of what we want to see when we look at integrated care.

The issue is also the pace of some of the changes. Paignton Hospital will stop taking inpatients on 3 April after a consultation that many of us felt was a bit of a done deal and a waste of time. I was shut out of the first meeting because a small venue had been booked for a large meeting. There was a feeling that the measure was going to happen anyway. On top of that, we have 32 beds being closed at Torbay hospital in the same period. For me the issue is how the pace of change is being forced.

There is a long-term debate. We have touched on pensions and—let us be blunt—there was an element of cross-party agreement when the pension age for my generation was increased to 68. It can be tempting to talk about the amnesia of opposition. We need to discuss long-term solutions. The Budget was welcome, but it has to be seen as a short-term measure. We need a long-term schedule that will last for more than one Parliament and more than one Government.

I need only look to my own clinical commissioning group, which is seeking £1,150 per patient in an area of ageing demographics and increasing social deprivation. From the primary care group to the primary care trust right through to the CCG, my area has been seriously underfunded, and it is now having to pay heavily when a CCG down the road is getting over 50% more per head. That does not suggest equality across our NHS. Our CCG is now being pushed into special measures and is having to make a £50 million saving because of a governmental failure instead of trying to meet the real needs of our community. Of course, we see that reflected across the country. In addition, the STP includes a £420 million cut, and that will really affect patient outcomes.

Of course we need to agree a way forward on funding for health and social care, but public health also has to be included, because we are seeing public health funding severely cut. Public health measures and prevention are the drivers of better healthcare in future. We have seen the end of the smoking cessation programme, NHS health checks, and the ability to drive better health for future generations. The local authority will see a further £250,000 cut in that budget over the next three years and a £400,000 cut to sexual health services.

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Rationing is coming into the service. Just two weeks ago, the Minister and I debated the rationing of surgery. Putting the wrong, perverse financial drivers in yet again is going to escalate costs in the medium term. We need to examine the way CCGs and trusts are handling the current financial crisis to make sure that we are not just kicking the can down the road and therefore escalating costs as we move forward.

Ensuring that we have early diagnosis in the system is also important. We have heard about waiting times for diagnoses of mental health conditions and emotional and psychological difficulties. In York, I heard from a parent who had spent four to seven years waiting for a diagnosis; support did not come forward until the diagnosis had been made. We should really be looking at functional care and supporting the family as a whole—we know that not supporting the family brings an additional cost. In any review, we need to make sure that we focus on prevention and early intervention, and its financial impact, and put the right financial drivers in the system now.

In the short term, we need to think about how to deal with some of the problems we now face. To that extent, I very much welcome the £2 billion for social care, the £300 million to underpin sustainability and transformation plans and the £100 million for A&E. I also welcome the rumours of more medical school places, which, as my hon. Friend the Member for Totnes (Dr Wollaston), the Chair of the Public Accounts Committee, said, are very important indeed.

We need to look at intergenerational fairness. Sadly, most healthcare cost is generated in our declining years. It is reasonable, after 2020, to look at instruments such as the triple lock to see whether those substantial sums of money should be handed to our national health service. Most elderly people I know would welcome such a thing.

We need to look fundamentally at what to do with healthcare funding going forward. It is very good to hear of the injection of money in the Budget, but it will not do in the long term, for reasons that have been explained. A Green Paper will not do either. Although that is welcome for social care, health care is much more complex.

A conversation with the public means looking fundamentally at what underpins our health service and trying to work out why outcomes in this country fall significantly short of those in countries such as Germany, which has been mentioned, France and Holland. That means examining Beveridge versus Bismarck, something in between or something completely different, which requires a commission or a convention—perhaps an Adair Turner-type commission. It needs to have that
conversation with the public. On the NHS’s 70th birthday, that is appropriate, because we need to carry the public with us if what we are ultimately suggesting is quite substantial sums of money injected into healthcare to bring our healthcare outcomes to where they should be.

As an optimistic sort of person, I rather suspect that the reason why a Green Paper has not been suggested for healthcare—notwithstanding the “Five Year Forward View”, which is only halfway through its evolution—is that the Government are considering such a conversation as a proposition. I very much hope that the support I think the Prime Minister gave to the concept when a number of our colleagues met a short while ago is translated into concrete proposals in the near future, so that—on a cross-party basis—we can have the convention, commission or conversation that we need with the public to establish, in the NHS’s 70th year, a long-term funding arrangement for this national institution that we all hold so dear.

10.23 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Hackney South and Shoreditch (Meg Hillier) on securing this debate and thank you, Mr Bailey, for making sure that we all get a chance to participate. As my party’s health spokesperson, this is an issue that I long considered in the run-up to the Budget, hoping and praying that there would be funding for drugs such as Orkambi for cystic fibrosis sufferers, money available for the training of additional GPs and more cancer drug funding. The list is exhaustive—we all have a long list of things—but I want to mention three issues in the short time that I have.

Together for Short Lives provided me with a briefing full of information for this debate. It is clear that local authority funding for children’s palliative care charities does not reflect the level of social care provided by such organisations. In the spring Budget, the Government announced a further £2 billion for adult social care funding over the next three years.

Given the vital role that these charities play in delivering children’s social care, including short breaks, what guidance will the Government give local authorities to make sure that they provide financial support to those organisations? Will the Government use the forthcoming Green Paper on social care funding to consider evidence and proposals for increasing funding for children’s social care? The care costs for children’s palliative care rose by 10% in the last year, due to an increase in the number of children with life-limiting and life-threatening conditions and the increasing complexity of their needs and the care that they require.

As a member of the all-party parliamentary group on blood cancer, I am aware of the inquiry into blood cancer care that is being launched on Wednesday. Blood cancer, as the Minister knows, is the fifth most common cancer in the UK and the third biggest cancer killer, yet awareness among the general public and policy audiences is very low. I trust that the Minister will look at that report. It is important that we consider reports, because we want the willingness to act on them. I respectfully ask the Minister to consider that.

My third point is about multiple sclerosis. Some 100,000 people in the UK have MS—4,500 of those in Northern Ireland. Great research has been done by Queen’s University Belfast to revolutionise life for people with MS. They are trying to find a way forward, looking at how the damaged brain repairs itself. The research is good stuff. I remind Members of the importance of ensuring that funding is available for research into diseases. I believe the Department must step up and make sure that that happens.

I know that there is not an unending supply of funding, but I believe that it is necessary that the money is used in the most productive way. I am subsequently asking that consideration be given to the issues that I and others have raised this morning. My mother often said, “Your health is your wealth,” and that is very much the truth. We must do all we can to protect the real wealth of this nation, and make sure that help is available to those who need it most at the time they need it.

10.26 am

Margaret Greenwood (Wirral West) (Lab): I congratulate the hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) on securing this important debate.

On 4 March, just over a week ago, a quarter of a million people marched through central London to call on the Government to stop the cuts and the privatisation of the national health service. I pay tribute to each and every one of those people who came to London to make that protest to the Government. When a quarter of a million people assemble directly outside this Parliament, the Government should think about what they are asking for. People value the NHS highly and are prepared to fight for it.

Many of the problems that we are facing in the health service have their roots in the Health and Social Care Act 2012. I hope that in any cross-party discussion, where we say that everything will be on the table, repeal of the 2012 Act will be on the table for consideration. One of the very many changes it introduced was the removal of the requirement to provide a comprehensive health service in England. As a result, we are seeing increasing rationing, and patients are suffering.

My hon. Friend the Member for York Central (Rachael Maskell) made an excellent speech in the Adjournment debate she recently secured on the rationing of surgery. As a former physiotherapist, she is very well-placed to make those points. Earlier this year, three clinical commissioning groups in the west midlands produced proposals to reduce the number of people qualifying for hip replacements by 12% and for knee replacements by 19%. Clearly, that has nothing to do with addressing patient need; it is all about balancing the books on the part of a Government with an austerity agenda that they are wedded to. Thousands of elderly people in our country are losing their sight, due to the rationing of cataract operations. That kind of rationing has a real and painful cost to many people in our society.

We are seeing the emergence of a postcode lottery. People are being told that we cannot afford a comprehensive service any more, but that needs to be challenged. Ministers will cite the ageing population and the costs of technology. Well, technology can reduce the costs of treatment; treating somebody soon for a relatively cheap operation—is a much more efficient way of using money than letting somebody become blind and hence terribly dependent on social care.
The coalition cut £4.6 billion from social care. The £2 billion over three years that the Government are providing is nowhere near enough. We want an injection of £2 billion now to stabilise the social care system. The public will not stand for it, and they will not forgive or forget a Tory Government who take the national health service off them. Ministers might think that they can erode it by trimming a little bit here and a little bit there. But the public know what is going on. Those who have hospitals that are going to close understand what I am talking about. People will not stand for it: they will march again, and it will not be

Mr Adrian Bailey (in the Chair): Order. I ask Back Benchers in sedentary positions to allow the speaker to speak. She did not interrupt their contributions, and I wish they would offer the same courtesy to her.

Margaret Greenwood: When 250,000 people are so unhappy about what the Government are doing and we are seeing the closure of A&Es, hospitals and all sorts of services, and the rationing of services that people really need, the Government should listen, as should Conservative Members.

Mr Adrian Bailey (in the Chair): We now come to the Opposition spokespersons’ contributions. I wish the Minister to have a minimum of 10 minutes to respond to the debate, because many points have been made. I can allow the Opposition spokespersons 10 minutes each, but it would be helpful if they kept their speeches a little shorter so that Meg Hillier may respond to the Minister’s comments.

10.30 am

Neil Gray (Airdrie and Shotts) (SNP): It is a pleasure to take part in this debate, Mr Bailey, once again with you in the Chair. I will keep my remarks brief to allow the required summing up to take place.

I pay tribute to the hon. Member for Hackney South and Shoreditch (Meg Hillier) for securing the debate, and I congratulate her on her speech. She highlighted the issues very well and was right to focus on the shift from capital to resource: £940 million this year, the third year in a row of such a shift in NHS England.

This has been another good debate on the subject. Only three weeks ago, I summed up for the Scottish National party in a social care debate. The right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) said in that debate—I agreed with him—that social care was the greatest domestic policy challenge facing the UK Government. Some revisions to what was said in that debate are required, however, as a result of the Chancellor’s Budget statement. It was welcome that he chose to spend £2 billion on health and social care in England, but it was a mistake for him to stagger it over three years. That is simply not enough.

We welcome the Barnett consequentials that go to the Scottish Government as a result of the social care enhancement—£99 million in 2017-18, £66 million in 2018-19 and £33 million in 2019-20. I am sure that those funds will be used by the Scottish Government to continue investing in the new health and social care joint boards which have been legislated for and recently established. The joint boards are local authorities and health boards working together to overcome the challenges of bed blocking, delayed discharge, domestic adaptations and care packages.

One of the most frustrating cases that we all deal with as MPs is delay to domestic adaptations, which is frustrating for the family, the recovery time and the flow through the healthcare system. I used to deal with dozens of those as an MP and previously as a parliamentary assistant. Thankfully, they are now becoming fewer and further apart. I am not saying that there are no challenges in Scotland—of course there are—but north of the border we are in a very different place from what we see in England.

Over the past two years, as we have started to integrate health and social care and invested record levels in our NHS in Scotland, Scotland’s core A&Es have been the best performing in the UK. On 5 February this year, in a report comparing UK health services, the BBC stated:

“Out of all the four nations, hospitals in Scotland seem to have fared the best...Much of the credit has been given to the way councils and the health service are working together.”

According to the most recent figures, the four-hour A&E waiting time target is being hit in 92% of cases in Scotland, 79% in England, 76% in Northern Ireland and 65% in Wales. Taken with other initiatives and investments, standard delayed discharge of more than two weeks has dropped by 43% in Scotland.

In the Scottish Government’s 2016-17 draft budget, we have allocated a further £250 million to health and social care partnerships to protect and grow social care services and to deliver our shared priorities, including paying the real living wage to adult care workers. In spite of the cuts to Scotland’s budget, the SNP has increased funding for adult social care. As a result, the average time received for home care is 11.3 hours a week, compared with 5.6 hours a week in 2000. Again, I am by no means saying that things are perfect in Scotland, but we faced up to the social care challenge long before it became the crisis we see south of the border. I hope that the UK Government can look to the Government up the road for inspiration as they face up to their own serious domestic policy challenges in England.

10.34 am

Barbara Keeley (Worsley and Eccles South) (Lab): It is a pleasure to serve with you in the Chair, Mr Bailey. I congratulate my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) on securing the debate and the excellent way in which she opened it.

Last week, in the spring Budget statement, the Chancellor announced that the Government would provide £2 billion in funding for social care over the next three years. We have heard a variety of comments about that in the debate. It is welcome that Ministers have finally heard the warnings from the Opposition, a wide range of health and care leaders and the three Select Committees represented in the Chamber today about the fragile and underfunded state of social care, but the extra funding has to be seen against the cuts to local council budgets, leading to the loss of about £5 billion from adult social care budgets since 2010. Clearly, the announced funding is not enough.
The cuts have already had an impact on the lives of many people. Older, vulnerable and disabled people have had support that they relied on taken away. Others have been turned away by local authorities and left to rely on friends and family for help. Last week, in this Chamber, we debated social care in Liverpool, when we heard that the cuts there meant that care could be funded for only 9,000 people, not the 14,000 people who had previously received care packages, as my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) reminded us today. In one city alone, that is 5,000 care packages lost and, nationally, 400,000 fewer older people than in 2010 receive publicly funded care.

We should remember that, as Age UK tells us, 1.2 million older people have to live with unmet needs for care—older people who do not have help they need to feed themselves, wash or get dressed. Apart from coping with future demographic change, we have to look at that unacceptable level of unmet need, because that is part of the serious state of social care and it is having a knock-on effect on the NHS. As Mark Porter from the British Medical Association said:

“When social care is on its knees, patients suffer delayed transfers, and the personal and financial cost is vast.”

In January we saw a record high in the number of delayed discharges from the NHS. The King’s Fund recently described social care as “little more than a threadbare safety net for the poorest and most needy older and disabled people”—it is a threadbare safety net that many people are now falling through, with the NHS left to pick up the pieces.

Given the damage done over the past seven years and the crisis that the Government have caused in social care, the £1 billion announced in the Budget for this year is simply not enough. As we have heard in the debate, the King’s Fund, the Nuffield Trust and the Health Foundation warned the Government about a £1.9 billion funding gap in social care, which means that the Government are funding only half of what is needed now. As for comments outside this place, the Care and Support Alliance has said that the extra funding “keeps the wolf from the door”, but no more, while the Academy of Medical Royal Colleges said that “we’ve now got to get real and recognise that short term measures of the kind we’ve seen today won’t help in the longer term.”

Is it not time to examine the true gap in social funding? Will the Minister acknowledge that £2 billion in funding is needed now, rather than spread over the next three years?

We also heard about the intention to produce a Green Paper on the long-term funding options for social care. The Chancellor said that those options do not include what he described as “Labour’s hated death tax”. As my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Communities and Local Government Committee, said, the Government should not reject options proposed in the past by other parties, and the Chancellor should not label one such option as a “death tax”, because to describe it in that pejorative way is not helpful in securing cross-party support for a sustainable solution to funding social care. That was done back in 2010 for political reasons, and it is being done now for political reasons. Inheritance tax is not called a “death tax”, although it is a tax levied after death. It has been known in the past as probate duty, estate duty and capital transfer tax. The Labour party has not played such political games with the Government’s highly unpopular increase in probate fees, which will affect people in the coming months.

I also challenge what Ministers have said about previous work on a sustainable and long-term funding option for social care. We need to deal with the issue now. In the Budget debate, the Financial Secretary to the Treasury denied that the Government might kick it into the long grass, instead talking about previous reviews. Let us be clear about that, however. In 2010, the Labour Government produced a White Paper called “Building the National Care Service”, a copy of which I have with me. Before that, in 2009, we had a Green Paper and the “Big Care Debate”, involving 68,000 people. Members are right that we need that big conversation with the public, but we have already had it once—we held it in 2009. We had firm plans to build a national care service. In seven years, this Government abandoned those proposals, established the Dilnot commission on the future funding of adult social care, adapted Dilnot’s proposals for their 2015 manifesto and then abandoned them. I call those seven wasted years. We appear to be back where we were in 2009.

As we have heard, it is clear that the demographic pressures in social care have a real impact on the NHS. In a typical hospital at any one time, two thirds of in-patients are over 65 and more than a quarter have a diagnosis of dementia. On top of rising demand, the Government have simultaneously sought to pass on what I see as unachievable savings. As we have heard, hospitals already have record deficits. NHS providers ended last year with a £2.5 billion deficit, although the Nuffield Trust suggests that the real underlying deficit was closer to £3.7 billion. The Public Accounts Committee identified that the NHS is resorting to “repeated raids on investment funds in order to meet day-to-day spending”.

We have heard those issues covered in this debate.

The decision to provide just £100 million in the Budget for capital investment looks odd, given that the NHS had to resort to raiding £1.2 billion from capital funding this year just for day-to-day running costs and faces a £5 billion repairs backlog. It has become increasingly clear that a £22 billion savings target for the NHS is simply not realistic. The Public Accounts Committee said:

“we remain concerned about whether plans are really achievable”.

Not one independent expert I have seen believes that such savings can be achieved with services maintained at current levels, and I am worried that efficiency savings on that scale will increasingly affect the quality of care that patients receive. We know that the number of trolley waits rose by 58% last year and the four-hour target has not been met since July 2015, and we have now heard about the rationing of hip replacements.

Importantly, the King’s Fund told us this week that the financial pressures on mental health services have been “a major factor driving large-scale changes to services, which may have had a detrimental impact on patient care”.

Its report states that patients who are able to access treatment get fewer contacts with adult secondary mental health services. That suggests that there is rationing of
support in England. It is also clear that the shortage of specialist mental health beds is resulting in a significant increase in the number of patients being sent for treatment away from their home area. In the four months to January this year alone, more than 2,000 vulnerable people in England with serious conditions such as schizophrenia, psychosis and anorexia were sent for out-of-area treatment. Almost half those placements were more than 60 miles from the patient’s home, and one in five of those patients were admitted to a psychiatric intensive care unit.

The Public Accounts Committee said that “the financial performance of NHS bodies has worsened considerably and this trend is not sustainable.”

In social care, mental health and the NHS, it is evident that the most vulnerable people in our society are bearing the brunt of financial pressures. We have heard a strong consensus in this debate that that has to change.

10.43 am

The Minister of State, Department of Health (Mr Philip Dunne): I congratulate you on chairing this substantial debate so efficiently, Mr Bailey. Some 31 colleagues were present—that is a very high turnout for Westminster Hall—of whom 18 spoke, including three distinguished Select Committee Chairs and two Opposition spokesmen. Certainly I have not attended such a significant debate in Westminster Hall, and it reflects our common interest in ensuring that the NHS and social care services in this country provide as high-quality a service to the public as possible.

Virtually all speakers welcomed the developments in last week’s Budget, and I welcome that broad consensus across the Chamber. Only one discordant note was struck—reference was made to a march in the streets of London led by the shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell). That march obviously demonstrated a degree of concern, but it happened before the Budget, which, as I shall touch on, responded to many of the concerns that have been raised.

We all recognise that the NHS faces a significant challenge, given the increasing demand for health services as a consequence of our ageing and growing population, new drugs and treatments, and safer staffing requirements, and that in turn is increasing the pressure on social care services. We know that finances are challenging for both areas, which is why we have ensured that spending on the NHS has increased as a proportion of total Government spending each year since 2010.

We backed the “Five Year Forward View” as part of the spending review in late 2015. That ensured that real-terms NHS funding will increase by £10 billion by 2020-21 compared with the year before the spending review. Some hon. Members said that they wanted to see a plan. We have supported the NHS’s own plan—the “Five Year Forward View”—and announced that we will publish a Green Paper this summer looking at how social care is funded in the long term, which hon. Members have welcomed, so it is churlish to deny that this Government are providing long-term strategic thinking about the way we fund both those services. I remind colleagues that the NHS budget was £98 billion in 2014-15 and will be £119.9 billion in 2020-21. That is a £21.8 billion increase in cash terms, which seems to get lost from time to time in these discussions.

We are almost at the end of the financial year. The NHS received a cash increase of more than £5 billion in 2016-17. That was front-loaded, as NHS chief executive Simon Stevens requested. For the year that starts on 1 April, there will be another significant increase in funding once the mandate is settled. The hon. Member for Bristol South (Karin Smyth), who is a member of the Public Accounts Committee, asked when we will see that document. It has to be published by the end of this month, and I assure her that it will be.

The measures announced last week, which many hon. Members referred to, have three features. I will not go into them in detail, because they have all been covered. Much of the focus has been on the additional £2 billion that we will provide for social care over the next three years, half of which will start to come in next month, when the new financial year begins.

Some hon. Members are aware of the numbers for their areas and some are not, and one colleague came up with a slightly incorrect figure. I will not go through every area, but I applaud the presence of Devon MPs in particular, given the manner in which they have massed themselves with colleagues from across the House. Devon will get a £30.3 million increase in its social care budget over the next three years and will receive half of that in the year that is about to start. My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) referred to an £18 million increase for North Yorkshire. I can give him a bit of good news: it will actually be £19.6 million over the next three years. I am grateful to the Chair of the Public Accounts Committee, the hon. Member for Hackney South and Shoreditch (Meg Hillier), for her support for the Budget measures. Hackney will receive £12.8 million, as she acknowledged. Like many colleagues, she sought a long-term funding settlement.

Norman Lamb rose—

Mr Dunne: I am afraid I cannot take interventions, as we have very little time.

The spending review provided a settlement for the NHS. The Chancellor indicated that there will be a social care Green Paper this summer. Several colleagues called for a cross-party consensus. The Green Paper will provide an opportunity for debate and consultation, and such discussions should focus on that.

The second Budget measure was a £100 million increase in funding for A&E services, so that people who present at A&E who do not need intense or urgent care can be diverted to GPs or clinics run by nurse practitioners. That best practice has been proven to work in A&Es and that a streaming service, so we are looking to provide facilities for basic capital spend to ensure that every A&E hospital across the country has streaming in place by next winter. I am pleased that that has been welcomed by hon. Members from across the House.

The third measure—this was touched on in the debate, albeit not in such detail—is the £325 million capital investment in the first set of sustainability and transformation plans. Those who make the strongest case for investment and can deliver better, more joined-up
services, which can bring real improvements to patient care, will benefit from the funding. We look to that to be an exemplar for other areas whose plans are less well developed, to encourage them to develop a better, more integrated approach to patient care for the future, including closer working with local authorities for the provision of social care. That should encourage areas to bring forward more comprehensive plans for the next wave of STPs, which will be supported. As hon. Members have said, we look forward to explaining more about that at the time of the next Budget.

Mrs Flick Drummond (Portsmouth South) (Con): Will the Minister give way?

Mr Dunne: I am afraid I had better—

Mrs Drummond: It will be very quick.

Mr Dunne: Okay, a very quick question.

Mrs Drummond: Something that has been missing from the debate is the 6.5 million carers in the UK—17,000 of them are in Portsmouth—who save costs of £132 billion a year. Will the Minister recognise that in the Green Paper and, in particular, respite care for them?

Mr Dunne: In the sustainability and transformation plans there is the opportunity for commissioners of care and health services to look holistically at the demands of the residents in their area, which to a degree includes palliative care and respite care. As we move towards an STP, there is a greater opportunity for those things to be considered as well.

Barbara Keeley: I agree with the hon. Member for Portsmouth South (Mrs Drummond). There is a real dearth now and respite care for carers has got lost. With £120 million, 40,000 carers could be helped with a respite care break. The Minister should look at that.

Mr Dunne: As I just said, the STPs provide an opportunity for areas to place greater focus on respite care if they consider that to be required.

I would like to touch on the adequacy of the social care funding package. The announcement means that in the next three years councils will have access to some £9.25 billion of more dedicated funding. That includes extra money going to local authorities through the combination of the improved better care fund and the social care precept, which, for those councils introducing it with effect from next month, will raise some £1 billion extra. The £1 billion provided in the Budget and the £1 billion from the precept amount to the £2 billion called for by external sources for the coming year. That funding will allow councils to expand the numbers of people they are able to support and, in turn, address issues at the interface with the NHS such as delayed discharges from hospital, which as we know cause problems with patient flow through the system.

Questions were raised about how the social care funding is to be allocated. I inform colleagues that 90% will be allocated using the improved better care fund formula to local authorities that have responsibility for adult social care. That distribution takes account of the ability to raise money through the council tax precept for social care and means that it is well targeted at areas of greater need and market fragility. However, in recognition of the social care pressures faced by all councils, 10% of the funding will be allocated using the relative needs formula.

The response to the measures from external audiences reflects comments made by hon. Members today: they have been broadly welcomed. Of course, several hon. Members said that it is not enough, but that is a traditional response to any increase in money—it is always easier to say that it is not enough. Hon. Members have generally recognised that the Government have listened to concerns about social funding. Those of us with responsibility for the health service recognise that there has been a particular problem in dealing with delayed discharges from hospital. Through closer working in the sustainability and transformation plans as they are rolled out across the country, with local authorities working more closely with health service providers, we think that the money will provide a lifeline to help to remove some of those pressures and to improve patient flow through our hospitals.

I would like to touch on the medium-term challenge and how in the coming months we can try to use the development of a social care Green Paper to address the longer-term concerns. The Government are committed to establishing a fair and more sustainable basis for funding adult social care in the light of the future demographic challenges that the country faces. We will therefore bring forward proposals to put the state-funded system on a more secure and sustainable long-term footing, setting out plans in a Green Paper. Some hon. Members asked when the Green Paper will be published. If I was in charge of Government timetabling, I would be in a better position to answer. They will not be surprised to hear that I cannot give a definitive answer, but, to use traditional parliamentary language, it would be fair to say that it is expected to be published in the summer.

Mr Bradshaw: Will the Minister clarify the Government’s position on the idea of a posthumous levy on estates? The Chancellor ruled that out, yet we read in the newspapers that the Prime Minister slapped him down over that. Are the Government ruling it out or not?

Mr Dunne: I will not pre-empt anything in the Green Paper, and it is not for me to give the right hon. Gentleman any comfort on discussions that might or might not have happened around the Budget.

We recognise that the NHS and social care face huge pressures and that there is more for us as a Government to do. However, we can be confident that we have plans in place both to cope with the pressures that we currently face—winter, A&E pressures and delayed discharges—and to sustain the system for the future. We have a long-term plan in place through the “Five Year Forward View” and the efficiency work being undertaken and rolled out progressively this year. We have given extra funding to both the NHS and social care to support those plans, and we have plans to bring forward a Green Paper on social care. I am pleased that this was put forward in response to the Green Paper and recognised by hon. Members and distinguished parliamentarians in the debate, and I am grateful for that support.
10.57 am

Meg Hillier: I thank all hon. Members for their contributions to this thoughtful and reasoned debate. I do however need to challenge the Minister on his suggestion that there was strong support for the Budget measures. Let us not overplay it: there were “buts” in the speeches of nearly all hon. Members. Therefore, while those measures are a help, I think everyone agreed that they are not sufficient, because that is not long-term funding.

Let us be clear. We have had short-term funding though the better care fund, a recent announcement on money for GPs at A&E, the cash injection of £2 billion for social care front-loaded for the next financial year, and a precept increase of 2%. None of that is long-term sustainable funding. Let us also nail the issue of the £10 billion with which the NHS plan has been resourced. That has now been stretched by the Government over a six-year period, not five years—both my Committee and the Health Committee have highlighted that—while they continue to seek a 4% efficiency saving. It is not just the Select Committees saying that; the Comptroller and Auditor General said of the NHS accounts that there is not yet “a coherent plan to close the gap between resources and patients’ needs.” Ministers really need to get a grip on that.

Will the Minister write to the Select Committee Chairs, outlining in more detail not just the timescale for the Green Paper’s publication but the proposed plans for discussions around that and when it will be taken further forward? Will he also write to us about the Care Act, phase 2, which has come up in the debate, albeit not mentioned directly? The permanent secretary at the Department of Health could not give an answer to our Committee. He talked about it being postponed, possibly to 2020. It would be helpful if the Minister would write to say what is happening with that element of the Care Act.

There is a strong view that there is a need for a long-term solution, and the Budget measures are not yet that. Health and social care are interconnected, and hospitals are not a great place for older people to be in. We need to ensure that we have a long-term sustainable solution to keep people out of hospital, keep them well as long as possible and keep them independent. That requires long-term thinking, not the sticking-plaster measures that we keep seeing unveiled by all Governments at the time of elections, especially in the light of cuts.

Motion lapsed (Standing Order No.10(6)).

11 am

Julian Sturdy (York Outer) (Con): I beg to move, That this House has considered the future of food labelling.

I draw hon. Members’ attention to my declaration in the Register of Members’ Financial Interests.

Accurate food labelling is vital to UK food producers and consumers. It is important in ensuring that there is a fair, functioning market in the sector. It enables products to compete on a fair basis—especially given that imports are often made to lower quality, with poorer animal welfare standards. It allows consumers to make informed choices about how they want to buy, without being misled. As the 2013 horsemeat scandal demonstrated, our labelling regime has an impact on consumers and businesses in every community in the country. Of course it also has a particular impact on farming and food manufacturing businesses and the wider rural economy.

The Minister’s Department calculates that the value of food and farming to the economy is about £108 billion, and the sector employs one in eight members of the total workforce. The strength of British agriculture is essential to maintaining food security and to the conservation, through its vital role in land management, of the countryside and landscapes. A strong farming sector also sustains rural communities, especially in more remote areas where there may be fewer alternative sources of employment. I know that the Government are committed to supporting the agriculture sector, and that support is all the more important as we face the challenges and opportunities of leaving the European Union.

Neil Parish (Tiverton and Honiton) (Con) rose—

Julian Sturdy: I give way to the Chairman of the Select Committee on Environment, Food and Rural Affairs.

Neil Parish: I thank my hon. Friend for obtaining this excellent debate. It is great that we have high standards of animal welfare, but they cost the industry money; does he agree that, as we get new trade deals and leave the European Union, we must be certain to label products securely so that we can stop imports coming in if they do not meet our standards? We should properly label our products; otherwise our farming community and food industry will be seriously disadvantaged.

Julian Sturdy: I entirely agree, and that is exactly why I wanted to have the debate now. I do not know whether my hon. Friend has seen a copy of my speech; but he is right. There will be opportunities and challenges for the food and farming sector in leaving the European Union. Developing a comprehensive and accurate food labelling regime is an indispensable element of that.

Rebecca Pow (Taunton Deane) (Con): I applaud my hon. Friend for obtaining the debate, at just the right moment. Often when we shop online we do not know whether the food is British. Could consideration be given to a button to press when doing an online shop to enable people to choose from just British produce? Surely that would really help us as we leave the EU.
Julian Sturdy: As always, my hon. Friend brings a new dimension to the debate. If I am honest, that is something I had not thought about, but I applaud the idea, which is excellent. I hope that the Minister will take the point on board.

As hon. Members will be aware, the relevant law has mainly been decided by the European Union, so our withdrawal gives us the opportunity to tailor the rules to the needs of the United Kingdom. I firmly believe that withdrawal must not mean going back on the progress made during our EU membership.

David Simpson (Upper Bann) (DUP): I too refer hon. Members to my entry in the Register of Members’ Financial Interests. I do not disagree with anything that the hon. Gentleman has put forward, but how are we to motivate consumers, who are driven by price and not always by concerns about the country of origin?

Julian Sturdy: I have some sympathy with what the hon. Gentleman says, but I will remind him about a supermarket founded in Yorkshire that has put a levy on its milk and gives that money back to the farmer. The consumers pay slightly more for their milk but know that the extra goes directly back to farmers. I will not name the supermarket, but that item has been its fastest growing product. That shows that when consumers have knowledge, because of proper labelling, they are prepared to buy British.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I commend my hon. Friend. On bringing the debate today, I am sure that he will be aware, as I am from the experiences of Suffolk farmers, that far too often some current EU regulations—I say this having voted remain—prohibit the proper marketing of local produce. They make it much more difficult for consumers to know that they are buying genuinely British beef from farms in Great Britain. At the moment, some of the beef they buy could be from overseas.

Julian Sturdy: I entirely agree. My hon. Friend is right that it is crucial to have accurate labelling. That should not only mean country of origin labelling; it should go right down to local and regional labelling.

Justin Tomlinson (North Swindon) (Con): My hon. Friend is making a typically powerful and timely speech on an important subject. On the same point, does he share my frustration when some supermarkets try to take advantage of consumers’ good will and support for local manufacturers by making up fictitious brands such as “Nightingale Farms”? We consumers make purchases, thinking we are supporting the UK industry, only to discover that it is a fictitious brand.

Julian Sturdy: That is another excellent point in what is indeed an important debate. I entirely agree: this is about making sure that labelling is accurate and fair to the producer and the consumer—so that the latter can make a properly informed choice. As my hon. Friend pointed out, that is not always the case.

I firmly believe that withdrawal from the EU must not mean going back on the progress that we have made.

Neil Parish: Will my hon. Friend indulge me again?

Julian Sturdy: I am not making much headway, but I am happy to give way.

Neil Parish: On the point about mislabelling, there is a big chain in this city and others that sells Angus beef, which I suspect is not Aberdeen Angus, from either Scotland or the rest of the United Kingdom, but mostly south American. I suspect that because it is labelled Angus beef, a lot of people eating it think that it is home-grown Angus beef.

Julian Sturdy: My hon. Friend makes a good point. I know exactly the places that he is talking about; I cannot say I have frequented them, but I know where they are and they stand out very well in the capital. What he says is right, and it goes back to the point made earlier. It is a question of consumer choice, but consumers want accurate information—whether online or in restaurants—so that they can make an informed choice about the products they buy.

The three main types of origin label are country of origin, method of production and method of slaughter. In this short debate—I am already running out of time—I intend to concentrate mainly on country of origin labelling, because I feel it is both the category for which accurate labelling is most important and because a British product is already guaranteed to be made to one of the highest standards of quality and animal welfare in the world. While accurate labelling is obviously important for producers, we also know that it matters deeply to consumers. It is therefore only right that labelling is clear and accurate.

Department for Environment, Food and Rural Affairs figures from 2016 show that just under 40% of shoppers check food labels for national origin, while separate research suggests that figure rises to 47% for meat products—double the percentage who look at nutritional information. Under EU rules, country of origin labelling is currently mandatory for unprocessed pork, sheep, beef, goat’s meat, shellfish, poultry, most fruit and vegetables, wine, honey and olive oil. That is a fairly recent development for sheep, pigs, goats and poultry, applying only since April 2015.

The bottom line is that the substance of these regulations must be preserved as the bare minimum when we cease to be an EU member state; promoting “brand Britain” through our exports will become all the more important as we move towards the exit door. I also believe that the Government must act to remedy existing problems with these regulations once they have the power to do so independently. As the Environment, Food and Rural Affairs Committee was told last year during its “Farmgate prices” inquiry, EU rules allow for the national origin of meat to be given as the country where the last significant change in production took place and not where the animal spent all of its life. For me, that does not amount to a fair, common-sense definition of national origin.

Published in May last year, the Government’s response to the Committee’s report said that they were “continuing to press at EU level for mandatory country of origin labelling for staple food products.” The wide scope of action that that suggests is very welcome.

Alison Thewliss (Glasgow Central) (SNP): I thank the hon. Gentleman for initiating this useful and informative debate, and I welcome the case he is making. Should infant formulas be added to the products that he suggests...
should have country of origin labelling? The ten-minute rule Bill that I presented on marketing of formula said that country of origin labelling might be useful in helping consumers to make an informed choice if it were put on the tins and made clear exactly where the formula came from.

Julian Sturdy: I entirely support that; it is another sensible suggestion of where we should consider country of origin labelling. Parents would look at that in great detail and want to make an informed choice for their children. It goes back to the point that consumers need information so that they can make a detailed, informed choice. On the point I was making, I hope that the efforts Ministers were planning to expend on the EU in that regard will now be channelled into examining the opportunities for the UK on this issue on a similar broad basis. I am sure that the Minister will look at this in detail.

I will focus the rest of my remarks on the difference between fresh meat, which, as I have said, is subject to mandatory country of origin labelling, and the wider range of processed meat products, which are not. That is the most striking example of the regulation needing urgent improvement. It should not always fall to a Yorkshireman to plead for plain-speaking and straightforwardness in this place; I know that the Minister will probably argue that the south-west does an equally good job of speaking straightforwardly—calling a spade a spade. However, the current divergence between country of origin rules for meat and processed meat products is a significant source of unfairness and confusion within the UK meat market.

The lack of mandatory labelling for processed meat products and our own Food Standards Agency guidelines mean that those products can legally be labelled as British or “made in Britain” if they are only processed in this country, even if they are made from non-British meat. It is important to bear in mind that products not currently covered by mandatory country of origin labelling make up a huge share of total meat consumption, including pies, ready meals, ham, bacon and sausages. Crucially, those products are displayed side by side on supermarket shelves with fresh meat that is subject to mandatory country of origin labelling requirements. A national origin label on two very similar products sitting next to each other can in fact mean very different things, potentially misleading the consumer and disadvantaging both them and British agriculture.

There is a significant number of welcome voluntary schemes that encourage country of origin labelling of processed meat products, such as the Red Tractor label and the voluntary standards agreement agreed by the industry and DEFRA in November 2010, but the fact that they are voluntary obviously limits their effectiveness. The number of different labelling schemes, each with their own standards and applying to some producers but not others, risks confusing consumers and prevents a level playing field on which products can be judged according to one ultimate standard.

Current food standards guidelines suggest that the country of origin of principal meat ingredients should be declared, and that any information provided cannot be misleading. Sadly, that is not sufficient to prevent unclear or inaccurate labelling of processed meat products. For instance, a packet of two gammon steaks from one of our leading supermarkets can be labelled “produced using pork from the UK” on the front, while the back of the packet reveals the more complete information in small print—that it was “produced in the UK using pork from the EU”.

Similarly, a spaghetti bolognese ready meal from another leading supermarket can bear the Scottish flag on the front to indicate that it contains Scottish beef, clearly implying that the meat in the product is 100% of UK origin. However, in small print on the back is the information, “produced in the UK using Scottish beef and Italian, German and French pork”.

That is all hugely unfair to our producers, who have gone to great efforts to ensure that their produce is of the highest standard, which is rightly demanded in this country, and should not have to see their products labelled as being no different from imports from countries where standards are much lower. For instance, research has suggested that an estimated 70% of pork imports fall below UK standards. The classic example of that is sow stalls, which have been banned in the UK for 10 years but remain common practice in many other countries.

Rebecca Pow: My hon. Friend is making a good point. We are not self-sufficient in food in this country. If we get the labelling aligned correctly, does he think that it would give farmers, like those in my constituency of Taunton Deane in the south-west, more opportunities to produce and sell more?

Julian Sturdy: I think it will allow farmers to compete against imports on a fair pitch, as it were. That is very important, because at the moment I feel it is very skewed by the labelling. Whether in my hon. Friend’s patch, up in Yorkshire or anywhere within the UK, including Scotland, Northern Ireland or Wales, British agriculture produces products to some of the highest standards and the highest welfare standards in the world. That is not reflected fairly within food labelling at the moment, and we have to ensure that it is.

It seriously inhibits consumers’ choice if we do not get this right. We know that many consumers wish to buy British meat, in many cases because of the high quality and high animal welfare standards to which it is produced. Research suggests that 74% of people believe it is important that the meat they buy is of UK origin. That strengthens the point made by my hon. Friend the Member for Taunton Deane about what such labelling can do for UK agriculture. However, under the current regime, consumers are restricted in their ability to do so.

For meat and processed meat products more broadly, I urge the Minister seriously to consider establishing a clear single UK country of origin standard, with a single country of origin label on the packet meaning that the animal was born, raised and slaughtered in the country and making it clear that the location of the last substantial change to the product is not an adequate description of its origin.

I also believe that the Government should use their new freedom of action outside the EU to proceed with introducing mandatory country of origin labelling for dairy products wherever possible. The Minister has
made clear his disagreement with the unwillingness of the European Commission to act on that issue, and I therefore hope that in making this call I am pushing at an open door.

The future prosperity of the food and farming sector and its ability to maintain and enhance its export performance will also depend on the promotion of traditional regional and speciality foods, which is another issue within food labelling. Given the time, I will not go into that, but it is worth putting it on record that that is an important sector within food labelling that we need to focus on.

Finally, I urge the Minister to ensure that the labelling standards I have described are preserved in future trade agreements with the EU and other countries, so that British agriculture is able to thrive in conditions of fair competition, with accurate disclosure of origin information to the consumer. Accurate, honest country of origin labelling in food is of great importance to the success of UK agriculture, the prosperity of rural communities, the rights of consumers and the competitiveness of our products in the world market. I look forward to seeing what measures the Minister can bring forward in this area as the Government develop the first independent UK farming policy for more than 40 years.

11.22 am

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I begin by congratulating my hon. Friend the Member for York Outer (Julian Sturdy) on securing this very important debate. He is known for campaigning on these issues and, as he said, as a straight-talking Yorkshireman. In fact, I shall be visiting Yorkshire this Thursday and look forward to lots of straight talking about the future of agriculture policy.

This is a very important issue. UK consumers spend £200 billion on food, drink and catering services each year. Consumer confidence is key to the integrity of the supply chain, and that is more important in food than in anything else. As my hon. Friend pointed out, existing regulations are largely set out in the food information for consumers regulation, which dates from December 2014. It sets out in quite a bit of detail mandatory labelling requirements for the name of the food, the list of ingredients, ingredients causing potential allergy or intolerance, the quantity of specific ingredients or groups of ingredients, net quantity of the product, the use-by date, any special storage conditions, the name and address of the food business operator, the country of origin, instructions for use where required, alcoholic strength and nutrition declarations. That is a fairly comprehensive set of regulations. The UK helped to shape those regulations at UK level, but when we leave the EU we will take our position again on Codex, which is the UN body that tries to set standards internationally and is increasingly influential in this area.

On leaving the EU, there will be an opportunity to do things differently, to improve things and to introduce clearer labelling in some areas. However, it is also important that we have continuity; we do not want to throw the baby out with the bathwater. That is why in the first instance the great repeal Bill will put all our existing regulations pertaining to food labelling and all other aspects on a legal footing in UK domestic law. There will then be opportunities over time to revisit things.

While I appreciate that this was not a major focus for my hon. Friend, we are looking at whether we can have some kind of mutual recognition of existing protected food names. That will be important for European and other countries seeking recognition in the UK as well. We are looking at whether we could use trademark regulations to develop brands in other areas.

My hon. Friend the Member for Tiverton and Honiton (Neil Parish) mentioned Angus beef. There is another issue with Angus beef, which is that it is not always—or indeed, rarely—from a pedigree Angus animal; it is usually from one crossed with a dairy animal. We will have the opportunity, through trademark regulations and other intellectual property law, to develop brands for pedigree native beef breeds, for instance, which we are looking at.

I want to talk predominantly about country of origin labelling, which was the focus of my hon. Friend the Member for York Outer. As he pointed out, since April 2015 country of origin labelling has been required for fresh and frozen meat from pigs, sheep, goats and poultry. It has been required for fresh beef since 2003 and for certain fish products since 2000. As my hon. Friend knows, we have campaigned for the extension of mandatory country of origin labelling to cover some dairy products. The European Commission has always resisted that, arguing that it is too complex for processed products. Our view is that it might not be possible for all dairy products but would certainly be possible for some, such as butter and cheese, where it is relatively easy to identify country of origin. Once we leave the EU, there will be an opportunity to look at strengthening mandatory labelling in that area, if that were the view of the Government of the day.

My hon. Friend mentioned the fact that beef sometimes is not born, raised and slaughtered in the country of origin. My recollection of the regulations—I can double-check this—is that in the case of beef, for the label to state country of origin as UK the animal must be born, reared and slaughtered in the UK. For other meats, the animal must be reared and slaughtered in the UK. It is possible to say “slaughtered in the UK” if the animal is not born and reared here. The regulations cover this issue to some extent for fresh meat.

My hon. Friend also raised important issues about processed meats, which are more complex. A composite product such as a pizza might have vegetables on it from different parts of the country and might use flour from one country, meat from another or, indeed, meat from two countries. It is harder to put country of origin labelling on all processed meats.

There has been a growing tendency for other foods to be labelled voluntarily with their country of origin. For example, the vast majority of lightly processed meat products, such as bacon and sausages, already have country of origin labelling as part of a voluntary scheme, but it gets harder with some of the more complex products. I am always open to strengthening transparency for consumers. If there is a way of going further, beyond the issues we have highlighted previously in the case of dairy, we can look at that.

My hon. Friend mentioned method of production labelling. There are some very good voluntary schemes, such as the RSPCA Assured scheme, which recognises...
high standards of animal welfare, as well as the British Lion eggs and Red Tractor schemes. We are keen to encourage those further.

I want to touch on a couple of other points. My hon. Friend the Member for North Swindon (Justin Tomlinson) raised the issue of slightly dubious farm name brands used by supermarkets. That is a difficult area. While those cannot mislead, there are cases where, for instance, a brand celebrates a product of a particular standard. I have heard some people complain about the Duchy Organic label because the products are not always produced on Duchy farms; in fact, they rarely are. It nevertheless is an important organic standard that has recognition. This is a difficult area. Labels are not allowed to mislead people, but I accept that some labelling is in a slightly grey area.

My hon. Friend the Member for Taunton Deane (Rebecca Pow) talked about online shopping. We are discussing that with the National Farmers Union; it may be one way we can avoid voluntary principles. We have had a very good debate, and I will take on board these points.

Question put and agreed to.

11.30 am

Sitting suspended.

[George Eustice]

Detention of Vulnerable Persons

[Geraint Davies in the Chair]

2.30 pm

Anne McLaughlin (Glasgow North East) (SNP): I beg to move,

That this House has considered the detention of vulnerable persons.

I have brought this debate to the Chamber because the arguments about detaining people simply because of their immigration status are not over. I will argue that that is not necessary, is extremely damaging and is not cost-effective. I will also argue that unless the Government get on with examining the alternatives and implementing the bulk of the Shaw review recommendations with alacrity, I can only conclude that the use of immigration detention for vulnerable people is purely ideological. To make my arguments, I will explore the impact of detention, particularly on vulnerable people; say something about the alternatives to detention; and highlight some of the Shaw review recommendations that have not been implemented more than one year down the line.

I will say at this point that my experience of the Minister for Immigration, limited as it is, is that he has listened when I have had something to say and he has acted, so I come to this debate fairly sceptical but not completely cynical. I very much hope that today will signal a turning point.

I thank all the organisations that wrote to me and provided me with information. It did not make pleasant reading, but it is important to know what is going on. I pay tribute to all of them for the work that they do. They include Scottish Detainee Visitors, Detention Action, Medical Justice, the Scottish Refugee Council, the English Refugee Council, the Immigration Law Practitioners Association, Liberty, the United Nations High Commissioner for Refugees, Asylum Aid, the Helen Bamber Foundation, the Association of Visitors to Immigration Detainees, and the Detention Forum.

I am fortunate: I have never had to flee my home or my country and I have never been detained for anything, far less detained without having committed a crime. However, I know the damage that it does to a person’s physical and mental health to experience that. I know because of what I read and because of friends who have been through it. I will refer to two sets of friends of mine who have been in immigration detention.

Mr David Burrowes (Enfield, Southgate) (Con): I congratulate the hon. Lady on securing a debate on a subject whose time has come again—many of us have been involved in debates on it in times gone by—but may I caution her on something? I welcome her scepticism: she is right to be sceptical, given the evidence that she will present to us. However, I would hope and expect my hon. Friend the Minister not to say that the reason for continued detention of vulnerable people is in any way ideological. Sadly, it could well be administrative. That is unacceptable too, particularly when the Government have said to Parliament that the presumption should be that those who are at risk are not detained.
Anne McLaughlin: I genuinely hope that the hon. Gentleman is right and the reason is not ideological, but we can only wait so long before we come to the conclusion that it is. Hopefully, though, it is not.

In case the Minister thinks that I am coming to him with worst-case scenarios, I will start with the best-case scenario and tell him about Romeo—that is not his name, but he is a bit of a Romeo, so I have decided to call him Romeo rather than using his real name.

Nobody is better equipped to deal with immigration detention than Romeo. He has a creative, flexible and problem-solving approach to life. He is confident, vibrant and philosophical, and deals with whatever life brings to him. However, this is what he told me about the time when he was detained. He had woken up early to pick up ingredients from a friend who was leaving this country to go back to her European country. She had baking ingredients and knew that he loved to bake. He came out of his door, and the next thing he knew he was handcuffed and shoved in a van and then in a detention centre.

Romeo said that trying to get in touch with the friend to tell her why he could not make the appointment was difficult. Trying to explain to somebody who does not come from the UK that he was in detention but had not committed any crime was quite distressing for him. He told me that he asked whether, if he was to be deported, he could go to his room and get his stuff, and he was told, “You’ll never see your room again.” There were two UK Border Agency officers there at the time. One said to him, “You sound Scottish; you sound British,” and the other said, “You’re not British and you never will be.” He said to me, “Even though I am that person who can cope with anything life throws at me, it was so hard to hear that from somebody.”

I will now go to my worst-case scenario—the worst experience that any of my friends have ever had. A friend of mine from Eritrea and her 10-year-old son were detained in Dungavel immigration removal centre. I want at this point to mention the work of Scottish Detainee Visitors. Its visitors visit people in Dungavel and have done so for many years. As it has pointed out to me, and as others will say today, Dungavel is a particularly difficult place to be detained, because of its isolation; it is 6 miles from the nearest public transport. I was in daily contact with the mother by phone, and the son said to her after a few days, “We can’t live like this, Mum. Please can we die?” And every day after that until they were released, he asked her, “Please, Mum. Please just let us die.” Can anybody imagine their own children thinking that, far less pleading with them to let them end their lives?

I know that we have reduced the number of children in detention, but we have not stopped it; we had 71 in detention last year. However, the point that I want to make is not about children in detention. Yes, we all agree that that is wrong, but the mother told me that it was so hard for her to respond to her son and tell him that there was something to live for and he had to keep on going, because she was not feeling it herself—she, too, wanted to end her life. The reason she did not was that she had gone through so much to save this child’s life, she was not going to allow them to end it there and then.

John Howell (Henley) (Con): The hon. Lady is telling some really important stories about the points home to us, but I wonder to what extent she feels the situation would be significantly worse if the people involved had serious mental health problems, and whether the system is capable of dealing with that.

Anne McLaughlin: I will come on to say a little about that issue, and I thank the hon. Gentleman for raising it. One of the most significant issues is that the system is not capable of dealing with people who have mental health problems, and the agreement was that people with mental health problems would not be detained, but unfortunately that is still happening. As I said, I will come to that.

Tulip Siddiq (Hampstead and Kilburn) (Lab): The hon. Lady is making a passionate speech about a very important issue that is close to my heart. She will be aware of my constituent, Nazanin Ratcliffe, a mother who has been imprisoned in Iran for a year and is suicidal. In April, it will be one year since she has spoken to her husband, and she barely ever sees her two-year-old daughter, Gabriella. Will the hon. Lady ask the Minister to make a point on that, because we need to bring Nazanin home, back to West Hampstead?

Anne McLaughlin: I echo that call and hope that the Minister will respond to it. The hon. Member for Hampstead and Kilburn (Tulip Siddiq) has fought long and hard for this woman who is fortunate to have her, but so unfortunate to be in the situation she is in—it is so wrong.

Mr Andrew Smith (Oxford East) (Lab): Will the hon. Lady give way?

Anne McLaughlin: I’m very popular today!

Mr Smith: The hon. Lady is being very generous. I congratulate her on the debate and agree with what my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq) has just said. On medical conditions, does the hon. Lady agree that the issue is not simply mental health conditions? I would cite the example that I was told about of someone with an urgent arthritic condition, who, rather than being given medical treatment in Campsfield House IRC, was put on a bus to central Oxford, where a taxi driver who spoke his language got him to Asylum Welcome, and an ambulance had to be called. Do we not need urgent re-evaluation and attention to the medical guidance?

Anne McLaughlin: Absolutely. As I said, my personal experience of the Minister for Immigration is that he listens. He cannot be expected to know absolutely everything less than a year into the job. I hope that he will respond to that intervention and do as the right hon. Gentleman asks.

Immigration detention attacks and destroys the soul—it is soul-destroying. As many of the groups have told me—some of their members are here today—“If you are not particularly vulnerable when you enter detention, it makes you vulnerable.” And there are alternatives that work. That is the ridiculous thing. The Government agreed to look into the alternatives, but they have not done so yet, and I think they still need convincing.
However, before I attempt to do that, let me look at what we all agree on: the recommendations—or some of the recommendations—of the Shaw review that the Government agreed to.

Most hon. Members will be aware that the review was published in January 2016. Its remit was to “review the appropriateness” of “policies and practices concerning the welfare of those who have been placed in detention”.

Shaw begins his conclusion with a comment that hints at the frustration felt by many of the organisations that have worked on this issue over the years. He says:

“Most of those who have looked dispassionately at immigration detention have come to similar conclusions: there is too much detention; detention is not a particularly effective means of ensuring that those with no right to remain do in fact leave the UK; and many practices and processes associated with detention are in urgent need of reform.”

Mr Shaw’s 64 recommendations include a number that focus on vulnerable people. To their credit, the Government have made a bit of progress with some of the recommendations, but when dealing with a system as fundamentally flawed as the detention system, and working with people who are so vulnerable, there has to be both an urgency to the improvements and a recognition by Government that a handful of adjustments are just not enough.

I obviously do not have time to detail everything today—there were 64 recommendations—but I hope that other Members will talk about the particular issues for stateless people, pregnant women and transgender people, among others. Shaw called for the definition of vulnerable persons to be extended. He said that the presumption against detention should also apply to victims of rape and sexual violence, to those with post-traumatic stress disorder, to transsexual people and to those with learning difficulties, and he rightly includes people who have suffered female genital mutilation in those groups.

Many of the recommendations are said to be addressed by the introduction of the adults at risk policy, which is apparently intended to better identify and lead to the release of vulnerable people. But so far there is no indication that, despite those intentions, the policy is actually having that effect. Aspects of the policy are subject to litigation. Medical Justice and a number of others have worked on this issue over the years.

The Minister for Immigration (Mr Robert Goodwill): I am sure the hon. Lady is aware that many of those who are detained for longer than usual are foreign national offenders and are assessed to pose a risk to the public. There are about 1,300 foreign national offenders in immigration detention. Is she suggesting that those people should be released, even if they pose a risk to the public?

Anne McLaughlin: Absolutely. It is very clear today that there is much cross-party consensus on this issue. On the length of time that people are held in detention, the Home Office’s own statistics show that migrants in detention are being held for longer since the publication of the review. That is astonishing. At the end of December 2015, the month before the Shaw review was published, 453 people had been detained for longer than four months. According to the Home Office, nine months later that number had gone up to 553.

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in detention for a few months. The use of immigration detention has mushroomed, and the length of time has expanded, and that has shone a light on the lack of due process. We should never forget that none of these people, as matters stand, has committed a crime.

Anne McLaughlin: Absolutely. I could not agree more. I was not here at that time; I was a Member of the Scottish Parliament, I think, and very aware of the arguments being used.

I want to say a little about how we treat people with mental illness. Often they have an illness that did not exist or that lay dormant before they were detained, and the detention exacerbates it. I mentioned some of the organisations that have sent me information for today. One of them, Detention Action, helped Mishka to tell his story. This is what he said about being detained:

“I was detained with my twin brother. It was very difficult for us. We went in ok and we came out broken. The last three days before my brother was removed he tried to commit suicide two times. The first time, there was blood everywhere. The officers and nurses were so annoyed. They are thinking he is just trying to escape from removal. The nurse put a plaster on his wrists and took him to segregation.”

For goodness’ sake! Those are my words, not his. He continues:

“There he ripped a piece of metal off the wall to cut himself again. He was very, very vulnerable by the end. He was not the only one. There were many other people in bad states—mental and physical. There is more than one suicide attempt a day in detention now. All I know is that when suicide becomes normal—anywhere, ever—something has gone very, very wrong.”

Anne McLaughlin: Actually, the thing that surprises me about that—I am not sure whether this is my hon. Friend’s point—is that the number is so low. I am telling the Minister that 78 is not the number of people in these circumstances feeling suicidal and considering suicide.

Such people are human beings who the Government agree should not be put through this; yet they are being put through it and the British Government are doing it to them. Every time the Government are asked when a recommendation that they have agreed to will be implemented, the answer is “in due course.” Notwithstanding all I said about the Minister at the start, I do not want to hear “in due course” today. That is not good enough. The most soul-destroying thing about being in detention is the unlimited nature of it—not knowing when or whether you will be released; the most soul-destroying thing for campaigners, many of whom have been in detention or are still at risk of detention, is not knowing when the Government will do as they promised.

I want to look at some of the alternatives to detention. There is a strong moral case for community-based alternatives. However, I am often, if not always, on a different side of the argument from this Government when it comes to discussions based on morality and values, so I will make the arguments based purely on effectiveness of outcome and cost.

In this place, I have often accused the Tory Government of knowing the cost of everything and the value of nothing. Yet when it comes to immigration detention, it seems that money is no object. Why? Why do we use the most expensive system, particularly in these times of austerity? Why is there no money to support people in need—vulnerable young homeless people who now cannot claim housing benefit, for example—but an unlimited pot of cash to put already vulnerable people through a living hell in detention centres, given that the Government agree that that is what they are doing and that it can be catastrophically damaging to people? Evidence is increasing that working with people in the community, using a case management approach, works.

Mr Burrowes: The hon. Lady perhaps underestimates the costs. What about people whose stay is extended, so their time in detention is longer than legally required? The compensation bill is going up by millions of pounds. That is taxpayers’ money, which is being wasted on illegal, extended detention. Frankly, that is a scandal— it should go on effective, alternative ways of controlling people.

Anne McLaughlin: In a recent two-year period, the bill for compensation for people detained illegally was about £10 million. I pay tribute to the hon. Gentleman for all that he does and says—it cannot be easy for someone when their Government are involved—and for all his campaigning on behalf of people in these circumstances.

There are a number of established alternatives to detention, such as the Toronto Bail programme, which is centred on community-based release. Importantly, that model has achieved a 94% cost saving compared with detention, and a compliance rate of 95%. I will not go into all the other models, but Sweden has a case management welfare and rights-based approach, which works with the person who is seeking asylum. Is the Minister aware that in 2014 in Sweden, the voluntary rate of return was 76%, whereas here it was 46%? Does he realise that the longer a migrant is detained, the more likely it is that they will be released from detention and not returned to their country of origin? Does that not just make the exercise completely pointless? Would it not be better to strengthen the decision-making process in the first place, and would that not be cheaper? Well yes, it would.

Richard Fuller (Bedford) (Con): I am delighted that the hon. Lady has secured this timely debate. She talks about foreign examples, but we do not need to look offshore to reinforce her point. A signal achievement of the coalition Government was that they stopped locking up children in immigration detention and introduced the family returns panel. Since that was introduced in 2011, the voluntary return proportion has grown from 51% in 2011-12, to 76% in 2012-14, to a voluntary return percentage of 97% in 2014-16. Does that not fully reinforce her point without our needing to look abroad?

Anne McLaughlin: Absolutely. I pay tribute to my colleague, the hon. Gentleman, who is also on the Opposition Benches and has been a strong campaigner
on this issue. I urge the Minister please to look at the different examples, domestically and internationally, because they save money and are more effective.

Before the hon. Gentleman’s intervention, I was about to invite the Minister to guess how much we spend each year on the long-term detention of migrants who are ultimately released and should therefore never have been detained in a removal centre. Well, he does not have to guess; independent research from Matrix Evidence uncovered the fact that we waste £76 million on that every year. I am calling on the Minister to look into strengthening the decision-making process—not just to save money, but so that we stop causing unnecessary trauma to individuals who have done nothing wrong.

The reason why we use the current system is definitely not effectiveness of outcome, given the much higher success rates in Sweden and Canada, and definitely not cost-effectiveness, so I am interested to hear the Minister’s explanation. Perhaps he can complete the following sentence in 15 words or fewer: “Well yes, Anne, it is the most expensive option, but it is worth it because...”. I tried, but he would not like my finished sentence and I do not like it either, so I ask him in all sincerity: why, when there are less expensive, more effective systems, do we not go for them as opposed to the system that we have?

I shall finish with this point. Yesterday, Nicola Sturgeon announced plans—this is relevant, Mr Davies—for Scotland to have an independence referendum. Last Thursday the Select Committee on Scottish Affairs had a debate in Parliament during which the Scottish National party called for immigration powers to be devolved. Either of those scenarios—further devolution or independence—are options for Scotland, but I have no crystal ball. There may be absolutely no change, but we will have to wait for the people of Scotland to decide. There is a real chance that we—not just SNP MPs, but MPs representing Scotland—will be out of here in the next few years, but we might not and people might still be being detained in Scotland against our Government’s will.

However, even if Scotland becomes independent, that does not mean we do not care what happens in the rest of the UK. Far from it—my fervent hope is that whoever is in power in the rest of the UK will see that Scotland is running a far more welcoming, humane immigration system and will follow suit when they see for themselves that it works and is cost-effective. I urge the Minister not to wait until then, but to make this something that he is personally in charge of and will expedite, because people have been waiting for long enough.

In this debate, I have focused primarily on those seeking refugee status—rightly so, because they are likely to be the most vulnerable, given that they have had to flee their own countries. But an IRC is an immigration removal centre, which means that anyone who is classed as an immigrant can be detained there—and they are. I was interested to read about the increasing number of Europeans being detained for long periods. The rest of the UK is leaving Europe, but that does not have to be hostile. Is it not time to extend the hand of friendship to our European neighbours and the rest of the world, and could that not start with treating their citizens who come to live here with respect, dignity and humanity?

Several hon. Members rose—

Geraint Davies (in the Chair): Order. If hon. Members keep their remarks down to around eight minutes, we should get everyone in. I call Mr David Burrowes.

2.55 pm

Mr David Burrowes (Enfield, Southgate) (Con): It is a pleasure to take part in this important debate, which gives the Minister a chance to get a taste of the cross-party concern that was amplified last year in the run-up to the Immigration Bill—now the Immigration Act 2016. Many hon. Members, from all parts of the House, made it clear that indefinite detention was unacceptable—that was the easy point to make—and that there needs to be progress, not least towards a statutory time limit. Through the passage of the Act, and through Stephen Shaw’s scrutiny and welcome report, it was accepted—some of us conceded—that the welcome recommendations, the broad thrust of which the Government accepted, could well lead to a reduction in the numbers being detained and for how long.

Stephen Shaw talked about the package of “adults at risk” policies, individual assessments for removal and reviews, and the welcome progress that was made on outlawing the detention not only of children, but of vulnerable people, such as pregnant women, unless there are exceptional, limited circumstances. We all recognise that that package might not be the only lever to deal with too many people being in detention for too long—there are also statutory time limits—but it might be successful. However, Stephen Shaw said he that he would revisit that tool if progress was not made. Time has now gone by and, sadly, we have not seen the steps that were promised to Parliament and Members, so it may need to be revisited. I say advisedly to the Minister that cross-party concern will grow, not least in terms of interest in the blunt instrument of a statutory time limit, unless we see further progress.

Paul Blomfield: The hon. Gentleman and I have worked closely on these issues, and I pay tribute to his work. He is right to highlight that the progress we appeared to be making seems to have stalled. However, does he agree that there are worrying signs that things may be going into reverse? The most recent report on an immigration detention centre was done by the chief inspector of prisons on Brook House, where the average length of detention has increased, rather than decreased. Does he share my concern that that is a worrying sign? Clearly, we hope that the Minister will listen to the cross-party concerns that the issue needs to be addressed.

Mr Burrowes: I agree. There are warning signs. We have seen the reports in the media and elsewhere on Yarl’s Wood and the scandals that have taken place. We do not want to be in that position. We want to ensure that the recommendations, which were broadly accepted, mean real results, but we are not seeing them.

In January last year, the then Minister committed in Parliament to safeguarding the most vulnerable, with a clear presumption that people who are at risk should not be detained. I want to talk about the victims of trafficking and the need for protection and assessment relating to their removal, not least because Ministers have given assurances, as did the Prime Minister last July. She made it clear—rightly, given that she has
championed the cause of tackling modern slavery—that the Home Office has taken the lead. The Home Secretary is leading the task force, bringing Whitehall together in regular meetings, in which I am sure the Minister is also involved, to ensure that we apply our full force in tackling the evils of modern slavery, so that we can, in the words of the Prime Minister on 30 July, “get a real grip of this issue”, and “drive further progress in the battle against this cruel exploitation”.

The words of the Prime Minister are pertinent to today’s debate. She wrote:

“Vulnerable people who have travelled long distances believing they were heading for legitimate jobs are finding they have been duped, forced into hard labour, and then locked up and abused….These crimes must be stopped and the victims of modern slavery must go free.”

The victims of modern slavery must go free and not be in detention.

I will refer to an example given to me by Detention Action. It is about T, a trafficking survivor:

“Like many Vietnamese people in detention, he was trafficked to work in a cannabis farm.”

That was referenced by the Prime Minister.

“He has been left with long-lasting injuries and psychological trauma after being beaten by his traffickers. The Home Office accept that he is a torture survivor but have refused to release him. On the basis of limited information, the Home Office refuses to believe that he is a trafficking survivor. He has been detained for four months.”

Victims of modern slavery must go free.

I will refer to the Helen Bamber Foundation and a recent example this month about someone with a rule 35 report from a detention centre. The doctor noted extensive scarring that was in keeping with a history of torture. Sadly, though, there was a negative reasonable grounds decision that turned on the credibility of the applicant, as the trafficking claim was not raised when first questioned in the UK. We have made great strides in dealing with the issue of reporting referrals. Here is a clear example where no doubt the threats by the trafficker not to tell anyone of the exploitation at the time of initial questioning is something that is normal and not exceptional, but is not given any weight. There are also indicators that the individual had been re-trafficked after coming into contact with UK authorities initially.

I will draw on reports referred to by the Home Office. There are reasons why the claim of a torture survivor trafficking victim had not been properly maintained above issues around immigration. The vulnerability issue is the concern, but sadly it is weighed among immigration factors and the vulnerability concerns are downgraded. The Home Office report stated that entry into the UK took place

“in a clandestine manner”—in other words, on the back of a lorry. That is not surprising for a trafficked victim:

“You have no close ties in the UK to ensure your compliance.”

Again, that is not surprising in terms of the indicators present. The individual had been trafficked. Here is an example from the Shaw report in relation to mental health:

“Whilst it is noted that you have encountered physical torture and are suffering poor mental health as a result of this, the doctor has not diagnosed any serious physical or mental health conditions that are likely to worsen within the detained environment during the duration necessary to effect your removal.”

Page 306 of the Shaw Review states:

“Together the literature, which spans a 25-year period and a number of legal systems, tells a consistent story of the harmful effects of detention on mental health.”

That is compounded in a victim of trafficking. What is going on here? We have the Shaw report referencing clear evidence of mental health aggravated by detention, not least among those who are victims of torture.

The report continues:

“When balancing your vulnerability against your negative immigration factors, the negative factors outweigh the risks.”

What is happening here to very vulnerable people? At the time of writing, despite the adults at risk policy, this individual has now been in detention for four months, with a further three and a half months being proposed to effect removal. It is not the will of Stephen Shaw, it is not the will of Parliament, and I do not believe it was the will of the Ministers and the Government during the passage of the Immigration Act 2016. We must do better.

I must press the Minister on his answer to my questions that followed up on the clear will of the Minister’s predecessor in response to the Shaw report. My question is about timescales for individual reviews and assessments for removal, which should take precedence over issues around detention. It is what immigration removal centres are all about: removal and ensuring that individuals are assessed for removal, which is there to supplement the adults at risk policy. There was a clear commitment that that would be in place by the end of the year.

The then Minister responded on 14 January by saying in response to the recommendation that

“the Home Office should examine its processes for carrying out detention reviews, the Government will implement a new approach to the case management of those detained, replacing the existing detention review process with a clear removal plan for all those in detention.”—[Official Report, 14 January 2016; Vol. 604, c. 28WS.]

The following month in the Select Committee on Home Affairs, the then Immigration Minister, now the Secretary of State for Northern Ireland, told me that the current system of detention review would be replaced by removal assessments by the end of the year. It has not happened. The current Minister responded to my question yesterday by saying that

“work continues on designing and implementing a more effective case management process to replace the existing method of reviewing detention. Case Progression Plans are intended to act as the single caseworking record for all individuals entering immigration detention. Wider rollout…is planned for later this year, subject to the findings from the evaluation of the pilot phase.”

Again, we must do better.

In conclusion, whether it is on that issue or publishing a plan for the whole of the estate that will be predicated on the Government’s commitment to reduce the numbers in detention, we must do better. At the very least, let us commit ourselves to follow through with what the Prime Minister said:

“the victims of modern slavery must go free.”

3.6 pm

Jim Shannon (Strangford) (DUP): I congratulatethe hon. Member for Glasgow North East (Anne McLaughlin) on setting out the issues so well. May I say at the outset that I would be very pleased to see our Scottish hon. Members remaining as part of the United Kingdom?
As I always say, we are better together in relation to the United Kingdom of Great Britain and Northern Ireland, so we do not want to see them go. They make a valuable contribution, and today’s debate is an example. I thank the hon. Lady for that, and I thank also the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), who will shortly make an equally valuable contribution.

I am concerned about this issue. As my party’s spokesperson on human rights, I believe it is right and proper that this issue is raised and that the Department responds by saying how far the recommendations have been implemented. It is clear that change is needed. I was shocked to find that in 2015, the number of suicide attempts in UK detention centres averaged more than one every day, with 393 people trying to take their lives—a record high. If that is a record high, there has to be a change of direction or a change of attitude in how we stop that. The hon. Member for Glasgow Central (Alison Thewliss) referred in her intervention to some of the suicide attempts. I am sure it has much to do with the fact that people are not allowed to stay in the UK—it cannot simply be how they are treated in detention centres—and their dread of going back home. It is also clear that the recommendations in the Shaw report need to be implemented, which is why we are here to ensure that treatment does not exacerbate the problems that people already face.

I completely agree with the statement by our Prime Minister—she is our Prime Minister, whether or not we are in government with her—from when, in her former hat, she was Home Secretary. The fact is that we have asylum criteria for a reason. We have to have criteria to work to, and the Minister knows that. How the criteria work and affect people’s lives is the reason we are having this debate. We cannot sustain an influx of people from other nations. No country can do that—or, indeed, does.

We always have examples from people who work for us or from people who call in and regale us with their stories. My parliamentary aide went to South Africa with her entire family—some 20 of them in total—and they decided to spend a few days in Mozambique. The trouble that the family had to go to just to get a visa for three days was extreme and very costly. It was some £1,000 for the family to get the visa and documentation. The process is there for a reason. Although the hoops that the family had to go through to get access to their resort were extreme, they felt that the benefits outweighed the hassle. It is the same for our immigration process. The process is difficult, but it is so for a reason. We must protect our citizens first, and the immigration process does this.

Not everyone who wants to come here has a right to be here. That is a fact that must be accepted. The system and the process are there to ensure that the right people have the opportunity to come here. I support the Government’s ability to make that decision. However, it should also be accepted that people who come here but have to go home must be treated well. The hon. Member for Glasgow North East outlined that well.

The Prime Minister said in a written statement when she was Home Secretary:

“The Government believe that those with no right to be in the UK should return to their home country and we will help those who wish to leave voluntarily. However, when people refuse to do so, we will seek to enforce their removal, which may involve detaining people for a period of time. But the wellbeing of those in our care is always a high priority and we are committed to treating all detainees with dignity and respect.”—[Official Report, 9 February 2015; Vol. 592, c. 29WS.]

However, the suicide figures perhaps do not reflect that. I ask the Minister to take that on board.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The question of treating people with dignity is particularly important when it comes to the detention of children. Does the hon. Gentleman share my concern about the closure of the Cedars centre, which was not easy to set up or cheap to run but was about exactly that—treating people with dignity? Is he concerned that, unlike Cedars, the new arrangement has not had the active participation of Barnardo’s?

Jim Shannon: I wholeheartedly agree with the right hon. Gentleman, as I think does everyone in the Chamber. What he has described shows the issue we face: changes happen, but are they for the better? In the present case I believe they are not.

I would like to know how, in the Government’s view, dignity and respect have been upheld since the Prime Minister’s statement was made just over two years ago. I understand that the recommendations in part 4 of the Shaw report, which addressed the concept of vulnerability, have largely been accepted by the Government. However, there are examples, including the one outlined by the right hon. Member for Orkney and Shetland (Mr Carmichael), that do not show that acceptance in action. There was a recommendation that the presumption against detention be extended to include victims of rape and other sexual or gender-based violence, including female genital mutilation, as well as people with a diagnosis of PTSD or with mental health issues and, as other hon. Members have mentioned, transgender people and people with learning disabilities. Those are clear and specific categories where there are issues that need to be addressed. The presumptive exclusion of pregnant women should be replaced by an absolute exclusion, and the phrase “which cannot be satisfactorily managed in detention” should be removed from the section of the guidance covering those suffering from serious mental illness.

It is always good to read the newspapers, although whether we believe them or not is another thing. However, a reputable newspaper that I read contained an article stating:

“In June last year, the Home Office published new guidance that says women on suicide watch in detention should never be watched by male guards. In July, it introduced a 72-hour time limit on the detention of pregnant women—a measure which I particularly welcomed as it was clear that detention was often harmful for pregnant women. And in September, the Home Office also published guidance which states that survivors of sexual and other-gender-based violence should not be detained.”

If the Government are pressing ahead with such measures and protection for pregnant women, that is good news; if they are not providing them with protection, they should be. I tabled some questions on this matter some time ago, and I am keen to hear how the Minister responds to the debate. It is good that the Government action described in the newspaper report is happening, but more needs to be done. What more is scheduled to happen? I should like to hear the Minister’s thoughts on
the protection of pregnant women in detention and whether the change to a 72-hour time limit has been effective. Is it working, and is it enough?

I have read reports suggesting other ways of dealing with asylum seekers, which we could explore, in countries such as Sweden. Sweden sets examples to the world of how to do many things. We can learn from each other. While we have the current system, we must ensure that procedures are followed and the Government send those who have no right to be here back home; but while they are here, their needs should be catered to in the most humane way. I know that that is the intention of the Minister and the Government but perhaps we need to see it more in action than in words. I offer support, but I ask that our procedures be carried out in a humane, compassionate and effective way.

Geraint Davies (in the Chair): The third member of the Celtic fringe—other than me, of course—is Dr Lisa Cameron.

3.14 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is an absolute pleasure to serve under your chairmanship, Mr Davies, and I thank you for that welcome. I congratulate my hon. Friend the Member for Glasgow North East (Anne McLaughlin) on bringing the debate to the House and on an excellent speech, as well as other hon. Members, who spoke in a most informed manner.

Dungavel immigrant removal centre is in my constituency, so I have a particular interest in the debate and the issues. I have been several times to Dungavel. The current UK Government policy of detention is not the policy of the Scottish Government, but the dedication of the staff, who apply themselves to difficult work with extremely vulnerable individuals who are in some of the highest-risk times of their lives, is commendable. We may not believe that the people in question should be detained, but the staff work to the best of their ability in difficult circumstances.

Anne McLaughlin: I received an email this morning saying that at the weekend, when people went to make their presence felt outside Dungavel, they saw staff patrolling with what looked like police dogs. I wonder if my hon. Friend would ask the Minister to find out what that is about. I am sure it is not the idea of the staff. There must be a Home Office directive saying that that is a good way to look after people in detention.

Dr Cameron: That is certainly not something I witnessed when I visited Dungavel, but perhaps the Minister would like to comment.

It is recommended that the presumption against detention be extended to include victims of rape and sexual or gender-based violence, including FGM, people with a diagnosis of post-traumatic stress disorder, people with learning disabilities and other vulnerable groups. As to the exclusion of pregnant women, surely we must agree that their care cannot possibly be managed adequately within detention. The Shaw report also found that rule 35 of the detention centre rules, designed as a key safeguard for victims of torture or those whose health would be at risk from continued detention, failed to protect vulnerable people in detention. The report highlighted a fundamental lack of trust in medical staff and advised consideration of independent GPs or professionals.

I should like to address several issues in the time I have: assessment of those with PTSD, assessment of those with a learning disability, and the important issue of the detention of vulnerable and traumatised individuals alongside foreign national offenders—something that I believe poses a risk in itself. As a psychologist, I can say that assessment of post-traumatic stress disorder is complex and cannot be done as a snapshot. I went on occasion, in a previous life, to Dungavel to assess mental health, but there is a brief timespan.

Mr Goodwill: I want to reassure the hon. Lady that the worst foreign offenders are detained in the prison estate and not mixed with other detainees.

Dr Cameron: I thank the Minister for that response. I shall come on to the concerns that I have. The situation involves some detail on which we need further information.

The time afforded for clinical assessment is extremely brief—perhaps only an hour. Meeting clients in Dungavel, alongside an interpreter, makes it even more difficult, because more time is needed to get accuracy. In my experience, the time afforded has not been enough. Building rapport in clinical practice takes time. To expect professionals to do a full, thorough assessment within a snapshot of time is not realistic. It takes repeated appointments. Trust must be built. After all, it is expected that people will open up about some of the most traumatic incidents or experiences of their lives. That does not happen in a few appointments. Clinically, that approach is not good practice, and from the point of view of humaneness it could be re-traumatising. Post-traumatic stress disorder and its symptoms mean avoidance and suppression of emotion, so people are being asked to do something very difficult in the context of their disorder.

Another issue that I found was that the background information needed for a full diagnosis was often not available. Perhaps it has not travelled with the person, or not much is known about their background, meaning that even more careful consideration and lengthier assessment are merited. How many trained psychologists are working in detention centres, and what time and space are they afforded to complete mental health assessments? My concern is that people are slipping through the net; that PTSD is not being diagnosed, that mental illness is not being recognised and that vulnerable and unwell people are being detained when they should not be.

Individuals with learning disabilities are likely to be extremely vulnerable, and in my opinion they should not be detained at all. Assessment to detect individuals’ IQ and history of developmental delay and significant impairment in everyday functioning is even more complex than mental health assessment, and IQ tests are often not culturally transferable. Once again, information for such individuals is often lacking, although background information on development is necessary. It can take multiple sessions speaking to numerous people involved in someone’s care to avoid missing critical information.

Fiona Mactaggart (Slough) (Lab): The hon. Lady is describing powerfully the clinical issues that affect the diagnosis of vulnerable people who are detained. Does
she agree that there is an additional layer involving trust? People who are detained may see clinicians as representing the authorities, which creates an additional barrier that must be penetrated in order to make an effective diagnosis.

Dr Cameron: I thank the right hon. Lady for that excellent point. I agree; that has certainly been my clinical experience. It is obvious that someone undergoing a clinical assessment will wonder about the motive for and outcome of the assessment, which will affect their level of trust and ability to open up. Once again, it shows just how lengthy and detailed an assessment must be, and that it must be built up over time.

How many people in detention are currently being assessed for learning disability, how is that being undertaken and are appropriate resources available for professionals? Such individuals are very vulnerable. If someone is presumed to have a learning disability, they should not be detained, because of that vulnerability. If there is any question of that, are alternatives sought straight away?

Thirdly, I have a concern about detaining foreign national offenders who may be sexual or violent offenders alongside those who are already traumatised. Often, information is lacking. When I visited Dungavel, I was told that sometimes when people come from prison, their records do not follow. That poses a clear risk to staff, because they do not know how high risk the individual is and to the people alongside them in detention. We must ensure that information follows the person in order for a proper risk assessment to be made.

There is a clear risk to people with post-traumatic stress disorder following torture, rape or other trauma if they are detained alongside sexual offenders. That should not happen, but I know from my visits that, although some risk management procedures are in place, it sometimes happens; people speak about having been assaulted or sexually assaulted in detention. The risk management measures must be firmed up. What risk assessment and management measures are standardised to ensure that people are not at risk of further abuse? People with mental illnesses, learning disabilities or post-traumatic stress disorders should not be detained, and certainly not alongside offenders, which can re-traumatise and re-victimise them while they are in our care.

Geraint Davies (in the Chair): I call Richard Fuller to speak. I will call the Front-Bench speakers at half-past 3, so you have about six minutes.

3.24 pm

Richard Fuller (Bedford) (Con): Thank you very much, Mr Davies. It is a pleasure to serve under your chairmanship. I am delighted to have the opportunity, presented by the hon. Member for Glasgow North East (Anne McLaughlin) at this important time, to review progress on the detention of vulnerable persons and to welcome the Minister. He is in the middle of a process, which is probably the most difficult period in which to be questioned, but I know that he is made of stern stuff. As others have done, I would like to thank some groups in particular—Medical Justice, Women for Refugee Women and Liberty—which have been constant companions on the journey for reform.

We have heard a number of reasoned and thoughtful voices in this debate. I shall be neither of those things. I had to be dragged kicking and screaming away from voting against the Immigration Bill and every part of it that dealt with the detention of women, or indeed detention, in due regard for the efforts of the Government to recognise that a well-entrenched policy in the Home Office was in need of root and branch reform. The then Immigration Minister presented it skilfully, I am sure with the support of the then Home Secretary, who is now our Prime Minister. As my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) mentioned, the Prime Minister has shown a sensitive interest in trafficking issues, many of which overlap with the issues that we are debating.

Here we are again. We have heard from members of the Scottish National party, the Liberal Democrats, the Democratic Unionist party, Labour and the Conservatives, in a cross-party consensus, arguing for the replacement of the default of detention with a case management system for those in this country with no right to remain, for the important reason, as the hon. Member for Glasgow North East said, that it is the most cost-effective and most just method of doing things.

The Shaw report, produced in January 2016, contains 64 recommendations. How many of those have been accepted, and how many have been implemented? I would like to ask the Minister how many victims of torture, rape and war crimes are currently in detention, but as we know, it is difficult for him to answer, because how do we differentiate a claim from a proven fact? He can get around that, but the man or woman in detention cannot, because the system in immigration detention is that if they cannot prove that they were a victim of rape, torture or war crimes, the claim has to be denied. That has led systematically to the detention of men and women who are vulnerable because of their physical history and their treatment, in a country that likes to call itself civilised.

With Stephen Shaw, we got a light that we could shine on Governments, of whatever colour, to say that this is not acceptable in a modern society. There are better alternatives, and we—this Government—have the courage to implement change, so that we will never again have to ask such questions about the detention of victims of torture, rape or war crimes. I do not want to ask those questions any more.

The Government have made some progress. They have drafted a detention services order on segregation—the most significant part of detention—but the draft order was deficient in many respects. It said that someone could be segregated for being a refractory detainee, defining “refractory” as “stubborn, unmanageable or disobedient”. I know many MPs who are stubborn, unmanageable or disobedient, but I would not say that they should be segregated.

Jim Shannon: Are you one of them?

Richard Fuller: I could well be. So why is that in the draft DSO? Why is it not phrased more tightly? There is not enough protection in the draft DSO against detention of more than 14 days, which was itself deemed unacceptable, but which the draft DSO said might be possible and could be applied for. No—we will not have that. We shall not have that, if the Government really mean business. The Government have really got to get to grips
with the fact that they have to provide mental health support—the personnel there making the judgments—before they segregate anyone because of their mental health status.

I do not have enough time to go into more controversial topics about which I am slightly more passionate than the ones that I have mentioned. I will just say that the care progression plans that my hon. Friend the Minister outlined in his response to my hon. Friend the Member for Enfield, Southgate are the way in which this Government can demonstrate progress. So, can my hon. Friend the Minister please give us an assurance that he remains committed to those plans and that they will be implemented by the end of the year?

3.30 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship once again, Mr Davies. I congratulate my hon. Friend the Member for Glasgow North East (Anne McLaughlin) on securing this debate, particularly as she has campaigned for many years for the rights of the very people who the UK Government choose to detain. She made a powerful and at times emotional speech.

I also pay tribute to my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), the hon. Member for Enfield, Southgate (Mr Burrowes), the hon. Member for Bedford (Richard Fuller), who asked some very pointed questions, and the hon. Member for Strangford (Jim Shannon), who used his Westminster Hall season ticket to give a very thoughtful speech this afternoon.

The Scottish National party has long opposed the UK Government’s approach to immigration detention, which is not only inhumane but ineffective and hugely expensive. It is inhumane because it allows the indefinite detention of vulnerable people without a time limit and children and pregnant women to be detained; it is ineffective because evidence confirms that the longer a person is detained, the less likely it is that their detention will result in removal; and it is expensive, as we are detaining far too many people at great cost to the taxpayer, many of whom are not removed in any event.

The SNP’s position on immigration detention is very straightforward: we oppose indefinite detention. We oppose an abhorrent policy that allows pregnant women and children to be detained in these environments; instead, we favour an alternative approach that treats people with respect and dignity, helping those in need but still enabling us to abide by our responsibilities. We also support the calls for immigration detention to be limited to 28 days and for it to be replaced with community-based solutions. We believe that detention should always be the last resort.

The UK is the only country in Europe that allows vulnerable people to be detained in prison-like detention centres for an indefinite period. The former director of Liberty, now Baroness Chakrabarti, has spoken about “The scandal of limitless detention”.

She has explained how this inhumane practice was designed “unashamedly for administrative convenience” and that it is “one of the greatest stains on the UK’s human rights record...a colossal and pointless waste of both public funds and human life.”

The Home Office defends its inhumane approach to immigration detention by saying that detention can be used “where there is a realistic prospect of removal within a reasonable period.”

However, that defence does not stand up to scrutiny. According to Government statistics, 7% of detainees have been detained for more than six months and in 2016 only 47% of those leaving detention in the UK were being removed from the UK. The figure for Dungavel detention centre is even more stark: a mere 23% of people leaving detention were being deported. However, those statistics do not reflect the true scale of detention in the UK; migrants detained in prisons by the Home Office rather than in immigration removal centres are arbitrarily excluded from them.

As we have already heard, in 2015, following a number of shocking stories that laid bare the toxic legacy of the UK Government’s present and past approach towards immigration detention, Stephen Shaw carried out a review of the welfare of vulnerable people who had been forcefully detained by the UK Government. My colleagues and others have spoken about this issue in great detail, but it is worth noting some of the Shaw report’s findings, which confirmed that the UK detained too many people and that detention was not an effective approach to removing people who do not have the appropriate right to live here.

The Government have appeared to accept many of Shaw’s recommendations; it is an indictment of them that, more than a year on from the report, the number of people spending more than two months in detention has actually increased. More than half the detainees across the UK and more than three quarters of those in Dungavel were released back into the community. If any other Government service or Department had that rate of failure, there would be demands for an urgent inquiry, to establish why so many people were being incorrectly detained and why so much public money was being wasted.

Those who defend the detention of innocent people in these prison-like environments suggest that the public generally support this policy. I can state firmly and with some authority that that is not the case in my constituency of Paisley and Renfrewshire North. Members might remember that, in an attempt to close Dungavel, the UK Government submitted a planning application to Renfrewshire Council for a short-term immigration detention centre to be built near Glasgow airport. That application was soundly and firmly rejected in a rare cross-party and cross-sector political and civic show of unity. Renfrewshire wanted no part in the UK Government’s inhumane, ineffective and expensive approach to immigration detention.

The Minister’s desire to build a short-stay detention centre in my constituency was put forward only to make it easier to deport vulnerable individuals from their homes. That shameful approach would have resulted in individuals being moved hundreds of miles away from their homes, their families and their legal advisers. Again, the application for the centre was put forward with little concern for the rights of asylum seekers.

On that point, I have recently contacted the Minister about one of my constituents, Jorge Kidane, who has been moved hundreds of miles away from his family to Brook House immigration removal centre in London, where he has been for seven months. My constituent is a
Spanish national but has lived in Paisley for 16 years and wants to move back to Dungavel to be closer to his friends and family. I would be grateful if the Minister could treat this case as a matter of urgency, because Mr Kidane’s mental health is deteriorating severely.

I return to the issue of the detention centres themselves. In the response to me confirming that the UK Government had decided not to appeal the refusal of planning permission for a new centre in Renfrewshire, the Minister helpfully stated that the UK Government were reviewing the detention policy being used in Scotland. At first glance, that seemed a positive move and something that the SNP have long called for. We do not believe that the UK Government’s approach to immigration works for Scotland. We have continually called for immigration to be devolved, to allow Scotland to deliver a more flexible and humane immigration system that meets our own needs.

However, that review will be carried out away from the public eye, it will not consult widely with the public or experts, and its findings will not be published. The fact that the UK Government plan to review immigration detention away from the public gaze is telling, because the effectiveness of their approach is not and cannot be supported by evidence in any way whatever. The Government approach is flawed and ineffective. They should consult widely, listen to the views that have already been expressed in this place and beyond, and adopt a fairer and more humane approach to immigration detention—particularly the detention of some of the most vulnerable people in society.

As my hon. Friend the Member for Glasgow North East has said, Scottish Detainee Visitors carries out invaluable work. SDV staff have met people in detention who have serious physical health issues, including some people with scars that strongly support their claim to have been tortured. SDV staff have also met people in detention who are suffering from mental ill-health, including people with pre-existing serious mental health conditions, such as schizophrenia, and people whose mental health has deteriorated as a result of their indefinite detention.

The latest inspection report on Dungavel by Her Majesty’s inspectorate of prisons highlighted concerns about the detention of vulnerable people, including a torture survivor and a women with a serious health condition. There are 14 bed spaces for women in Dungavel, compared with 235 bed spaces for men. In a film made by SDV, one woman who had been detained in Dungavel described her experience there as being like that of “a chicken surrounded by dogs”.

Over the years that SDV has been visiting detainees, it has not been unusual for there to be just one or two women detained at the Dungavel centre. That is an isolating and potentially frightening experience, particularly in light of research by Women for Refugee Women showing that many detained women have historically suffered from gender-based violence.

The most recent inspection report on Dungavel noted that “there were inevitable risks associated with holding women in a predominantly male population” and that there were no specific policies focusing on this issue. That report recommended that “a specific safer custody and safeguarding policy should be developed for women.” I definitely support that call.

Regarding legal issues, wherever detained people are held, they are subject to frequent and arbitrary moves around the detention estate. Those moves are disruptive and disorientating for anyone who has been detained, but when the move is between Dungavel and centres in England the consequences can be particularly serious because of the differences between the legal systems in England and Scotland. A move to England often takes place just before an attempt is made to remove someone. It may not then be possible for a Scottish solicitor to make representations on a person’s behalf in England, and there may not be time to find an English solicitor to challenge a possibly unlawful removal.

As a country, we are better—much better—than the immigration policies that we have in place. Those policies do not stand up to scrutiny and are a blight on our human rights record. The UK Government should and have to use their power to reject this failed approach and replace it with one that treats people with respect and dignity.

3.39 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Glasgow North East (Anne McLaughlin) on securing this really important debate on a subject that does not get enough public scrutiny.

In 1998, the Labour Government—my Labour Government—published a White Paper with the title “Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum”. That Labour Government had many great achievements to their credit but this White Paper, and the legislation and the actions pursuant to it, was not one of our finer moments. It was that White Paper, and the legislation that followed, that led to a flurry of new detention centres being opened, mostly under the private finance initiative—Oakington, Yarl’s Wood, Dungavel and Harmondsworth. That is how we went from fewer than 50 immigration detainees in 1988, mostly detained within the airports where they had come in, to the current figure of 3,000, with the number of people detained at one time or another during the year now exceeding 30,000.

It is important to remind the House that we were told initially that we should not worry about due process, human rights and fairness because the people would be held for only a few months, but there is now very little due process around immigration. That is why we are faced with exploding numbers and a situation that is hard to defend.

Stephen Shaw was asked to report on the detention of vulnerable persons, and he recommended a series of exemptions for vulnerable immigration detainees, including, as we have heard, for victims of rape and other sexual or gender-based violence such as female genital mutilation; for those with a diagnosis of post-traumatic stress disorder; for transsexual people; and for those with learning difficulties. He also called for a presumptive exclusion of pregnant women to be replaced by an absolute exclusion, and for the words, “which cannot be satisfactorily
managed in detention” to be removed from the section of the guidance covering those suffering from serious mental illness.

I am interested in hearing from the Minister how far advanced we are in putting in place those exemptions recommended by Stephen Shaw, who the Government themselves asked to report on the detention of vulnerable persons.

We have seen the explosion in numbers. The hon. Member for Glasgow North East asked the question more than once: given that it is so expensive and there are so many human rights issues involved, why do we not examine cheaper and more effective methods of managing immigration detention, possibly in the community? I have followed this issue for my entire career as a Member of Parliament and I am afraid that, for me, the reason the Home Office seeks to cling to the notion of immigration detention is that it is seen as a deterrent. There is always a debate in immigration policy between push factors and pull factors, and the notion, certainly at the time, was that if individuals were detained in this way—quietly, contrary to any due process and with no consideration of their human rights—that would somehow deter people from seeking to come here as immigrants and asylum seekers. Of course, that has not proved to be the case.

The hon. Member for Glasgow North East also talked about cost. The annual cost for one person is £34,000 and the total annual cost of detention is approximately £120 million. It is hard to believe that we could not spend that money on dealing with whatever immigration detention challenges we face more humanely, and in a way that reflected better on us as a country.

I have done a certain amount of work with Bail for Immigration Detainees and it has briefed me on some cases it has dealt with recently. Last week it won bail for a client who had spent 15 months in detention after serving a six-week prison sentence. How can that be proportionate? It also had a client held in detention in prison for almost a year, despite mental health problems and an outstanding appeal; and a male client, the sole carer of a child, who had a serious health condition and who was released on bail after nine months in detention. Another client spent 27 months in detention despite the fact that it would not be possible to remove them anyway and, finally, a client was released in January after spending two and a half years in detention, despite suffering from schizophrenia and, again, despite not being removable. Those cases are unacceptable, and I think that Members on both sides of the House want to hear what progress the Government are making towards meeting the Shaw inquiry recommendations.

I have always taken an interest in detention because of having been in Parliament when there was the expansion of immigration detention. I am a bit perturbed that, although I have been asking since November to visit Yarl’s Wood detention centre, we have yet to have a reply from Ministers. I remind the Minister, in case it has slipped his mind, that the chief inspector of prisons described Yarl’s Wood as a place of national concern. It was burned down three months after it was opened and there are current accusations of abuse, poor healthcare and inappropriate sexual contact. I put it to the Minister, therefore, that if four months after I first asked to visit he is not able to respond, people might ask what he has to hide.

In common with Members of all parties who have spoken in the Chamber today, I think it is time to address the long-running concerns about immigration detention—concerns that go back to the measures introduced in the ’90s by a Labour Government. I have talked about the role of the Labour Government because I do not approach the matter from a party political perspective. I have visited Campfield, Oakington and Yarl’s Wood and, with the help of the Minister, I will visit Yarl’s Wood again. The conditions in which these people are held is a shame for this country. If people have a criminal record and should be deported at the end of their sentence, it is for the Home Office to organise itself so that they can be deported directly from prison. People should not be deprived of their liberty, with no due process, because the Home Office is chaotic in how it deals with people who have a recommendation of deportation when sentenced.

In common with other speakers this afternoon, I think we need to see an end to indefinite detention. I am glad that the numbers of detained children have fallen, but there are still 71 children entering detention, and that is 71 too many. Despite the fact that this subject does not excite the attention of the tabloid press and that Ministers might think there are not many votes in making immigration detention fairer and more humane, this is a long-running cause for concern. I hope that, decades after we introduced immigration detention at this level and on this scale, the Government will move to bring about some of the changes recommended by Stephen Shaw.

Geraint Davies (in the Chair): Minister, you may wish to allow a minute at the end for Anne McLaughlin to wind up.

3.48 pm

The Minister for Immigration (Mr Robert Goodwill): I shall be delighted to allow the hon. Member for Glasgow North East (Anne McLaughlin) a minute or so at the end. It is a pleasure to serve under your chairmanship, Mr Davies, and I congratulate the hon. Member for Glasgow North East on securing the debate.

I welcome the opportunity to set out the Government’s position on these matters and to address the points raised by right hon. and hon. Members. Where a specific case has been mentioned or there has been a request for statistics, it may be better if I write to the Members concerned, not because I cannot give them that information but because time is restricted.

Detention and removal are an essential part of an effective immigration control system, but it is vital that they are carried out with dignity and respect. Indeed, I have visited a number of detention centres myself, including Yarl’s Wood and, recently, one in Belgium. The Government there face similar challenges and have similar facilities to the ones in the UK. We expect those who have no right to remain in the UK to leave the UK voluntarily,
and we have programmes in place to support voluntary return. In many of the cases that have been discussed, people will have had the opportunity of an assisted return. There are financial packages and the airfare is picked up by the British taxpayer.

When people with no right to be here refuse to leave of their own volition, it is absolutely right that we take steps to enforce their removal. In those cases, detention may be necessary as part of that process. However, there is always a presumption of liberty for an individual, and the decision to detain any person under immigration powers is never taken lightly. Our policy already makes it clear that detention must be used sparingly and for the shortest period necessary. We are certainly not driven by any ideological motives, as was alleged at the beginning of the debate.

We take the welfare of detainees very seriously. That is why in February 2015, the then Home Secretary commissioned Stephen Shaw to carry out an independent review of the welfare of vulnerable people in the detention system. Mr Shaw’s report was published in January 2016, alongside the Government’s response. In our response, we accepted the broad thrust of Mr Shaw’s recommendations and set out three key reforms. First, a new ‘adults at risk’ concept was introduced into decision making around detention, with a clear presumption that vulnerable people at risk of particular harm should not be detained, building on the existing framework.

The second reform was the detailed mental health needs assessment in immigration removal centres, along with a joint mental health action plan developed with the Department of Health and the NHS. Although the action plan applies to England, we will work with colleagues in Scotland and Northern Ireland to share information and best practice on the provision of mental health services in the immigration detention estate. The final reform was a new approach to the case management of those detained.

Taking those reforms in reverse order, work has been ongoing to design a more effective case management process to replace the existing procedure for reviewing detention. Case progression plans take a more proactive approach to the monitoring and review of ongoing detention, with a focus on removal or, if appropriate, release. They are being piloted across the Home Office, and the pilot will then be subject to evaluation. As well as introducing case progression plans for individual detainees in February 2017, we also introduced case progression panels, which provide an increased level of oversight of cases within the detention estate. Although internal, the panels operate independently of the officials working on detention operations and aim to reduce the number of long-term detainees.

Turning to mental health, the Government published a joint Department of Health, NHS and Home Office mental health action plan on 1 December. The plan will improve our understanding of detainees’ mental healthcare needs so that the right interventions are available and we can manage effectively the removal of such individuals from the UK, or their transfer within the detention estate or back into the community. In addition, a more detailed mental health needs assessment will be carried out in immigration removal centres, using the expertise of the Centre for Mental Health. That was published on 9 January 2017. NHS commissioners will use that assessment to consider and revisit current provision to ensure that healthcare needs are being met appropriately.

I will expand a little on mental health, which was raised during the debate. Detainees are seen by healthcare staff within two hours of arrival and often have an appointment with a medical practitioner within 24 hours. Clinical pathways into other healthcare services, such as mental healthcare services, are initiated at that point, depending on the outcomes of the reception scheme. We take health needs seriously, particularly mental health.

The final element of the Government’s response to Stephen Shaw’s review was the new “Adults at risk in immigration detention” policy, which was implemented on 12 September 2016. The policy recognises the dynamic nature of vulnerability and strengthens the existing presumption against the detention of those who are particularly vulnerable to harm. The intention is that fewer vulnerable people will be detained and that, where detention is necessary, it will be for a shorter time. The adults at risk policy is based on a case-by-case assessment of the appropriateness of detention, based on the nature and evidence of vulnerability available in each individual’s case. That evidence of vulnerability is assessed against any immigration control factors that apply in the individual’s case, such as the likely speed of removal and any public protection concerns. That is particularly important where we have foreign national offenders.

Individuals are detained only if the immigration considerations in their case outweigh the vulnerability considerations. The policy recognises a broader range of individuals as vulnerable than the previous policy, and we expect the policy to have the greatest impact in the cases of individuals who are most at risk, including—we heard some of these examples during the debate—victims of sexual or gender-based violence such as FGM, transsexual individuals, individuals suffering from learning difficulties and individuals suffering from post-traumatic stress disorder. All those groups are explicitly regarded as vulnerable in the context of the policy, in line with Mr Shaw’s recommendations.

The adults at risk policy has a statutory basis by virtue of the Immigration Act 2016. It is worth noting that through that Act we have placed a 72-hour time limit on the detention of pregnant women for removal or deportation. With ministerial authorisation, that can be extended up to an absolute maximum of one week in total. We also made it clear in the Act that pregnant women would be detained only if they could be removed from the UK shortly or if there were exceptional circumstances that justified the detention. In addition, we have placed a duty on those making detention decisions in respect of pregnant women to have regard to the woman’s welfare. We have asked Stephen Shaw to carry out a follow-up review later this year to assess the implementation of all the recommendations from his previous report.

Equally important to our strategy for detention is the need to keep our detention estate under constant review to ensure that we have the right resources in the right places and that we are providing value for money. The announcement of our intention to close Dungavel immigration removal centre was part of our wider estate planning. The closure was, however, dependent on the opening of a new short-term holding facility in Scotland. It was disappointing therefore that the planning
application for that facility near Glasgow airport was rejected by Renfrewshire Council. Dungavel will therefore remain open for the foreseeable future, and we will continue to work with the centre service provider to ensure that Dungavel continues to receive positive reports from Her Majesty’s chief inspector of prisons.

One of the points raised in the debate was the protection of vulnerable families. The Government ended the routine detention of children for immigration purposes in 2010 by fundamentally changing the system to ensure that the welfare of the child was at the heart of every decision we made. That will remain the case at the new pre-departure accommodation. Pre-departure accommodation remains an essential component of the family returns process. The decision to accommodate families at a PDA is taken only after they have exhausted all legal challenges to their departure and have refused to comply with other options for return, and only after advice has been obtained from the independent family returns panel. Children with families can be accommodated for 72 hours prior to departure and no longer, without my personal authorisation.

A number of Members made the allegation that we are not doing better and are slipping backwards. I reassure Members that the Home Secretary and I are personally committed to ensuring that every individual in detention is treated with dignity and detained for the minimum time possible. The welfare of vulnerable people is particularly important to me, and Members can be assured that I am determined to see through the reforms started by my predecessors. I have invited Mr Shaw to return and review his policy and the work later in the year.

One particular point was made about the victims of trafficking. Home Office staff working in all immigration removal centres, including Yarl’s Wood, have been trained as first responders to identify signs that individuals may be victims of trafficking or slavery. Where an individual is identified as a potential victim, they are referred to the national referral mechanism for assessment. If the NRM takes a positive decision that there are reasonable grounds, the individual will normally be granted temporary release for a 45-day recovery and reflection period, unless detention has been maintained on the grounds of public order.

In conclusion, I hope that I have expressed the seriousness with which the Government take the welfare of those detained. The measures we have put in place, including the adults at risk policy, the statutory protections for pregnant women, the improvements to the approach to caseworking and the mental health action plan, represent a comprehensive package of safeguards for all vulnerable people in the immigration system who are detained or who are liable to detention, especially the most vulnerable.

3.59 pm

Anne McLaughlin: I feel quite depressed now, because a number of questions have not been answered, although I accept that the Minister said he would write to us. I think I will write to him and remind him of some of those questions. One of the fundamental things he has not addressed is the gap between stated policy and practice. Policies are not being carried out in practice, and we have given numerous examples of that.

Will the Minister have a meeting with me and some of these groups, which have a lot of experience of detention and a lot of valuable information about the alternatives? He has not answered why we are not using all the alternatives that are far cheaper and far more effective. Why are we not looking at following those? Will he agree to that meeting? He is very good at agreeing to meet me, and he has responded before. Will he please give me half an hour of his time to sit down with some people who know exactly what they are talking about so that they can try to convince him a little bit more? It will save us money in the end and lead to a far better outcome.

Question put and agreed to.

Resolved.

That this House has considered the detention of vulnerable persons.
Primary Care: North Essex

Mr Philip Hollobone (in the Chair)

Mr Philip Hollobone (in the Chair): Order. Would those who are not staying for the debate please leave quickly and quietly? Television sets are being switched on all over Essex to hear the hon. Member for Clacton (Mr Carswell) move the motion and start his debate. I call Mr Douglas Carswell.

4 pm

Mr Douglas Carswell (Clacton) (UKIP): I beg to move,

That this House has considered primary care in North Essex.

I am grateful for the opportunity to have this debate. We face a serious problem of primary care provision in our corner of Essex. To put it bluntly, there are not enough GPs. In my part of Essex, there are three local GP surgeries, which are not taking on any new patients at all. Those fortunate enough to be registered with a surgery often struggle to get an appointment.

Here are some of my constituents’ experiences, pulled out from my postbag in the past three weeks, to give a flavour of what they are having to put up with. An elderly lady from Little Clacton wrote to me a couple of weeks ago:

“On attending the practice, I realised that there was an average of three weeks waiting time to see a GP . . . When I did finally get seen, the practice nurse said, and I quote, ‘You have to be at the door at 8 am to get an urgent appointment on the NHS now . . .'”

This is a woman who has spent decades paying into the system, unable to see a doctor for three weeks.

Then there is a lovely lady from Kirby near Frinton who emailed me, saying:

“I’m writing to say how abysmal the doctor’s surgery is now. I waited two weeks for an appointment, only to be told to go to a different surgery if I wasn’t any better in two weeks.”

There is not much sign of customer service there, is there?

Finally, a man from Clacton wrote:

“I am my mother’s carer. I’m not a doctor. I just do my best and feel abandoned by my medical practice. I am having great trouble making appointments for my mother to see a doctor so that we can control her pain.”

Those are not isolated cases. My postbag is full of examples—it is fair to say that something is badly wrong with primary care in our part of Essex. What concerns me is that it was possible to see the problem coming. Back in September 2013, I led a delegation of GPs to see the Health Secretary to flag it up, precisely because GPs said the problems were going to happen.

To be fair to Ministers, we in this room all know—I hope people outside know it too—how disastrous the 2004 GP contracts were. They were certainly disastrous for those who are meant to be provided with primary care—but that is now more than a decade ago. We also recognise that a Minister cannot, as I think Nye Bevan put it, be held responsible for the “sound of every dropped bedpan” in every NHS surgery and waiting room. In fairness, I do not think we can blame Ministers for the failure of individual surgeries to get their appointment systems sorted out. But the question is, who does take responsibility? Who will answer to my constituents for these failings?

It is clear there has been a failure to provide the level of primary care that is needed in our part of Essex. What is less clear is who we hold to account. We have an alphabet soup of different agencies and quangos in charge, but none of them seem to be properly responsible. There is something called the CCG—the clinical commissioning group. It allocates the money and the patient is then expected to follow. The technocrats commission and the patient is expected to follow. Then there is the CQC—the Care Quality Commission. It inspects the GP surgeries. Would it not be better if surgeries had to satisfy customers and not simply comply with CQC assessments? Then, of course, there is NHS England, and in our part of Essex, something called ACE—Anglian Community Enterprise—which provides certain primary care services.

I have raised concerns with all those different branches of NHS officialdom on behalf of constituents and I have done so repeatedly. Promises are invariably made. I am told that we will get more GPs, that new contracts and a new kind of contract will be sorted out—always tomorrow. Not much ever actually seems to change on the ground.

Sometimes I am told, or it is implied—that they do not dare tell me this any more because I react very strongly to it—that all of this is to be expected. There is, they say, an elderly population in our part of Essex. The profile of the patient group, I was once told, means that there is all this extra pressure.

Those sentiments are excuses for failure; they are not credible reasons. We should not be in the business of blaming people for being elderly. After all, if someone is elderly, it means they have paid more into the system. In what other walk of life or area of activity is a surfeit of customers regarded as a problem? In Clacton, it is possible—I speak as a father—to go shopping for the family 24 hours a day, seven days a week, so why is it not possible to see a GP on a Saturday if a child is ill?

At the root of the problem is a system of state rationing—it is probably one of the last vestiges of the mid-20th century system of state rationing—in which the patient is expected to stand in line and wait. The patient is made to follow the money. We need a system of primary care in which the money—for a taxpayer-funded service, free at the point of access—follows the patient.

Ministers are absolutely right to want to see surgeries open on a Saturday, at weekends and in the evenings. Heaven forbid, if we really had a system of primary care that responded to my constituents’ needs, there might even be GP surgeries in railway stations, where quite a large number of my constituents tend to congregate in the early morning and late evening. If we are to have a more accessible, customer-focused service, it means making the patient king. It is not something that can be done by top-down design or by ministerial decree. Good customer service comes from the need to please customers, not from on high.

GPs tell me that the burden they face could be alleviated in part if more people were willing to use and made better use of pharmacists. There is a lot of truth in that. Pharmacists are highly qualified and often very experienced, and we are right to look into that. I say this in the week when we have finally passed the legislation to get us out of the EU, but perhaps we could learn from some of our European neighbours who seem much better at making good use of pharmacists, particularly...
Italy and France. I gather that in Germany people do not have to depend on the equivalent of a GP acting as a gatekeeper in the way that we do in this country. I would be very grateful if the Minister could elaborate and talk about not just what we can do to alleviate the problems in our part of Essex but the far-reaching reform that is needed if we are to make sure that people who have spent all those years paying into the system can be seen by a doctor when they need to.

**Will Quince** (Colchester) (Con): I recognise the issues that my hon. Friend rightly raises. Does he agree that a direct result is the considerable pressure placed on the general hospital in Colchester, which serves his constituents and mine, and that the foolhardy decision to consult on the closure of minor injuries units and the walk-in centre in Colchester should be dropped immediately, because it is such a ridiculous idea? It will just put additional pressure on Colchester general hospital.

**Mr Carswell**: My hon. Friend, as so often, is absolutely spot on. His judgment is impeccable. The failure to provide people with the primary care they need when they need it means that more people then tend to go to A&E, which has a knock-on effect on ambulance response times. Many of the problems we are grappling with are a consequence of the failure to provide accessible, customer-focused primary care where it is needed.

The consultation on the minor injuries unit and walk-in centre is irresponsible. I share the view that it would clearly be absurd to shut that facility. A lot of work for their constituents. I hope to hear from the Minister not only about how we can get more GPs in our area but about the reforms we need to change the way people obtain primary care, so that they are no longer supplicants standing in a queue to receive care on the system’s terms but valued patients who get the care they need when they need it.

4.11 pm

**The Parliamentary Under-Secretary of State for Health (David Mowat)**: It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for Harwich and North Essex (Mr Jenkin) and for Colchester (Will Quince) and for Harwich and North Essex (Mr Jenkin) for their points, which I will try to answer.

There is an issue with the number of GPs in the CCG in that part of north Essex. I will talk a little about why that is the case and what we can do about it. It is very hard to make progress on a number of the issues that were raised without fixing that problem. We are short of GPs across the country, but we are particularly short in the North East Essex CCG. Let me give some numbers for context. There are 40 GP practices and a little over 210 GPs within the CCG, which covers 330,000 people. The CCG estimates that it is 28 GPs short. I spoke to it this afternoon, and I was told that if any GP wants to get a job in Clacton, it will not be a difficult process. Indeed, the figures for Clacton and the coast are marginally worse than those I have just given.

That is somewhat mitigated by the fact that the CCG has more nurses than the UK average. That might well be to do with the walk-in centres and minor injury units, which are nurse-orientated. I will come on to talk about how we can work in a slightly different way—this was implied by the remarks of the hon. Member for Clacton—by making use of other disciplines, such as pharmacists, physios, allied health professionals of different sorts and mental health professionals. The CCG now has 10 full-time pharmacists, and there is a plan to increase that number considerably between now and 2020. Frankly, it is easier to recruit pharmacists than GPs, but we need GPs too.

I will spend a little time talking about the reasons for that. I spoke to the CCG about them in some detail today. As the hon. Gentleman mentioned, Clacton has an older population, which causes problems, and there may be contractual issues relating to that, although the GP contract allows extra money for areas of deprivation and those with ageing populations. There are no training GP practices in Clacton, which puts it at a disadvantage, as GPs are likely less to go there as part of their training and then stay. It is also true that Clacton has a higher than average age demographic of GPs, so there is a higher tendency for them to retire, which exacerbates the situation. I concede that there is a problem, and I will talk about some of the things being done about it. The hon. Gentleman used the phrase “jam tomorrow”, and I am afraid that some of it might sound a bit like that.
I want to draw attention to some of the things that the CCG in north Essex does well. We often talk about issues to do with locations—bricks and mortar—whether minor injury units or hospitals, but all MPs, including me, should properly evaluate our CCGs on the full set of published metrics. We have done an awful lot on transparency. I will just mention some of the things that the CCG does well. The hon. Gentleman’s CCG is well above the national average for cancer diagnosis in stage 1, for dementia care planning, for organising health checks for patients with learning disabilities, and for organising care packages for people with mental health episodes. I say that to put its issues in context. It is clearly true that there are difficulties with access and, to a lesser extent, with getting on lists in the first place.

The hon. Gentleman rightly made the point that we should be following the patient. We do a lot of work across the NHS and with every CCG to poll patients to ascertain how satisfied they are with the level of service they have received. North East Essex CCG received something like 82% patient satisfaction—lower than the national average. It is thought that the figures for Clacton are likely to be lower than the CCG average as a whole, so I will not hide behind that number.

In terms of what we are going to do about it, I will start by talking about some national initiatives—the comment about STPs related to that—and the need to invest more in primary care. There are two national initiatives that I want to mention. First, there is the GP five-year forward view. I know it sounds like jargon, but it redresses the persistent underinvestment in primary care over the past decade or so. Between now and 2020, there will be a 14% real increase in primary care across the country, which will manifest itself in the workforce and in different ways of working. That is real money; it is accepted by the British Medical Association’s general practitioners committee. It is very welcome, and frankly it has been a long time coming.

If we were designing an NHS today, with the sort of patient environment we have now, we would not design it around acute hospitals, as was done in 1948. We would design it much more around long-term conditions—diabetes, dementia, heart disease and so forth—which account for 70% of the NHS’s total cost and mean that much more can be done in the community. That is our very clear direction of travel.

Will Quince: Although I very much welcome those plans and the steps the Minister is hoping to take in relation to primary care, there is still very serious pressure on Colchester general hospital. I welcome last week’s Budget announcement of £100 million for triage services in accident and emergency units. Will the Minister give serious consideration to making Colchester general hospital a pilot for that, which would help to alleviate some of that pressure?

David Mowat: My hon. Friend may be relieved to hear that Colchester general hospital is not in my portfolio, but I will speak to my ministerial colleagues about it being a pilot and write to him.

Mr Jenkin: A moment ago the Minister mentioned some extra money for primary care. Who is responsible for investing that money? Does it come from NHS England and not from the CCG? How do we influence how that money is spent, so that there is some accountability in the process?

David Mowat: All money goes into the health service through NHS England, which used to be called the NHS Commissioning Board. The money is then given to the CCGs around the country to spend. In terms of a funding formula and so on, there are some specific primary care initiatives, including infrastructure-based ones for new premises and things of that type, and specific ones, which I am about to talk about, such as recruiting more GPs. We absolutely need more GPs, not only in Essex but across the country, although we do need them in particular in parts of Essex. The responsibility for that lies with NHS England, through the CCG. It is the CCG that has the accountability—to answer the earlier question, “Who do we blame for this situation?”—and I want to make that quite clear.

As for what all that means, we have workforce issues in primary care, and the Government and NHS England are committed to having 5,000 more doctors working in primary care by 2020, which should mean more availability and vacant jobs in Clacton being filled. We are determined to meet that commitment with progress made this year, with more medical students going into GP training than has ever been the case before in the history of the NHS—just over 3,000 of them. The hon. Member for Clacton was right to talk about pharmacists, and we also need to make progress with them. We aim to have 2,000 pharmacists working in primary care by 2020, as well as 3,000 mental health therapists.

All of that matters, but in addition we have to allow people to work in a different way from how they have up to now, and some of that is happening across the CCG in Essex. Broadly speaking, however, we find that a GP hub of 30,000 to 40,000 patients enables more scale. That would let us employ physios, pharmacists, mental health therapists and, indeed, social workers—in terms of the relationship with hospitals and the transfer of patients—and to have longer opening hours. I therefore completely accept the hon. Gentleman’s points about access and, to a lesser extent, with getting on lists in the first place. The responsibility for that lies with NHS England, through the CCG. It is the CCG that has the accountability—to answer the earlier question, “Who do we blame for this situation?”—and I want to make that quite clear.

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There are clearly specific issues with getting people with a GP background to move into the area. The CCG has put in place a workforce plan to address matters of recruitment and retention of GPs principally, but also of pharmacists, nurses and allied health professionals. Again, the judging of that will be in something actually happening and the vacancies in Clacton being filled. The plan exists and is being managed, and I understand that the CCG expects to make progress with it.

The practices in the CCG have come together in three collaborative groups, covering about 80% of the total number of patients seen, although the patient who sees the same GPs from the same practice and goes to the same clinic might not realise that. GPs are working collaboratively in a way that should enable better leverage of their time—I return to that point made in connection with pharmacists. We have to get away from every patient’s principal contact in the primary care system having to be a GP, rather than other professionals who could help a great deal. For example, I was recently in a practice where a pharmacist was conducting a diabetes clinic. Diabetes clinics are routine, happening perhaps every month or so, with a set of standard questions to be asked, and there is absolutely no reason why they need to be conducted by a GP, as opposed to a pharmacist. That applies in Essex, too.

I draw the attention of hon. Members from Essex to a couple of grants lately given to practices in their area. A £46,000 resilience funding grant has gone to the Clacton GP Alliance and, in a specific effort, almost £400,000 of capital funding to three GP practices that are coming together I think in Clacton hospital. The CCG understands that the standard of premises and infrastructure in Clacton is generally weaker than in other parts of the country—certainly weaker than is needed to attract the sort of talent necessary.

I have a “jam tomorrow” point to make, but it is worth putting it on the record. There is a plan to have a medical school in Essex, in Chelmsford, I think in 2018. That will obviously help, because people who train as doctors in that part of Essex will be more likely to live there, enjoy living there and, in time, make their careers and lives there. We have found that to be so in other parts of the country; I hope it works for Essex.

In connection with the minor injuries and walk-in centres, I want to speak briefly about the consultation. Members have pointed out that it would be absolutely ridiculous if, by closing those centres or doing anything to affect patient flows, more patients were to go to Colchester hospital. That is self-evidently true, and the CCG believes so too. Interested Members will know that the consultation, which set out four options, has received more than 3,500 replies. In all fairness, I do not believe that the CCG was consulting in order to close; it was consulting because contracts were up, and it wanted to look at the options and how to do better. One view given to me was it was more confusing than it ought to be for patients to know where they ought to be. I cannot say anything today about the outcome of the consultation, other than that the CCG board will consider the recommendations received in the 3,500 responses and the various other pressures that have been discussed today. Frankly, people in the CCG will also be listening to our debate today. I would be surprised if closure of the centres was top of the list, given the other pressures on GP practices, the hospital and so on. The decision will be made by the CCG at the board meeting on 30 May.

I will finish as I started, by saying that there is a problem with the number of GPs in Clacton and North Essex. The problem is understood and action is being taken that I hope does not all amount to “jam tomorrow”, to use the phrase of the hon. Member for Clacton. Although progress has been made in getting lists open and so on, clearly a lot more needs to be done. I am happy to continue to meet the hon. Gentleman in the months ahead if we are not making progress and getting things better.

Question put and agreed to.
Dog Fouling

4.29 pm

Mrs Anne Main (St Albans) (Con): I beg to move,

That this House has considered dog fouling.

The aim of this debate is to raise awareness of the ongoing problem of dog fouling, specifically in woodland and rural areas. I am a dog owner and a dog lover, and I must declare an interest: I sponsor a dog through Dogs Trust, the UK’s largest dog welfare charity, which runs initiatives throughout the country to encourage more responsibility among dog owners. Such efforts to encourage responsible dog ownership are welcome, but we need to do so much more. This debate is not about dogs or demonising dog owners; it is about the actions of irresponsible or ignorant dog owners and the environmental blight caused by dog poo that is dealt with inappropriately.

The Department for Environment, Food and Rural Affairs discontinued the collection of figures on the number of fixed penalty notices issued for dog fouling in 2010, as it was viewed as an unnecessary burden on local authorities. I agree—it would be enormously burdensome to keep collecting those data. The most recent figures show that 2,082 fixed penalty notices were issued in 2009. I gave the Minister some pictures before the debate to illustrate the extent of the bagged dog fouling problem. I suggest that those figures do not show the true extent of the problem.

Experience and anecdotal accounts from across the country show that this really is a big problem. It affects tourism, local authorities, private landowners, forestry commissions and farmers, as well as the public at large. I will refer later to the challenges that farmers face as a result of fouling on their farmland, as they have particular concerns about livestock safety, but the two key strands to my argument are the burgeoning nationwide problem of the inappropriate disposal of dog poo bags and how we can encourage the correct disposal of dog poo.

There is no one-size-fits-all solution to this problem. Solutions need to be appropriate to the surroundings, well publicised and simple to execute. There is no doubt that dog fouling is an antisocial and environmentally damaging problem. It blights parks, forests and farmland as well as fields and verges. To compound the problem, we have seen the rise of the phenomenon of the ghostly dog poo bauble. Walkers, cyclists and families out with small children are greeted by lumps of dog faeces wrapped in pink, blue, black and even apricot-coloured plastic dangling from trees or bushes, or decoratively tied to people’s fences. Deer ingest the bags, children may handle the packages and cyclists have even ridden headlong into bags dangling from low-hanging branches. It is disgusting. Some dog walkers use sandwich bags, freezer bags or even supermarket carrier bags to scoop up the poo before lobbing it off into the environment, where it festers, causing blight for years.

I accept that many bags are biodegradable, but even if they are marketed as such, they still hang around for a very long time. According to the BBC’s Focus magazine, it can take six months or longer for even degradable dog poo bags to decompose. Although that is a marked improvement over the 500 years it takes for a normal supermarket plastic bag to decompose, they are still a prolonged blight on the countryside landscape.

Initially, I thought that this foul practice of lobbing poo in bags into hedges and trees might be limited to a few irresponsible owners, but a quick trawl of social media and news archives shows that the problem is rampant and growing across Britain. It is estimated that local authorities receive upwards of 70,000 complaints a year about dog fouling, which is no small number. Local newspapers are filled with reports of the problems that it can cause, and Twitter is alive with concerns raised by people about the impact that dog fouling, particularly bagged dog fouling, has on their area.

Is it just me, Mr Hollobone? I do not understand the mentality of the person who enjoys walking on a beautiful woodland trail and goes to the trouble of purchasing and carrying a dog poo bag, picking up the often smelly deposit and even carrying it for a short distance, but then takes the opportunity to lob the carefully wrapped package up into the trees. I just do not understand it, but believe me, a quick look on the internet shows that it happens thousands of times every day.

Dog walking is one of life’s pleasures. Long rambles in the fresh air are good for dogs and their owners. Dogs Trust and many other groups strongly oppose blanket bans on dog walking in parks, beaches or countryside trails. I agree with them that that would be a great loss to communities of people who meet in those areas with their dogs and would directly punish the vast majority of dogs and their law-abiding owners just because of a select few offenders.

There are approximately 9 million pet dogs in the UK. One in four households in the UK has a pet dog, and they produce 1,000 tonnes of poo a day, or 365,000 tonnes a year. That is the weight of the Empire State building in New York or, to bring the problem closer to home, 5.6 times the weight of St Paul’s cathedral in dog excrement every year. We have a huge, smelly problem, and dog poo baubles are a relatively new and disgusting phenomenon. Online posts from Slough, Dartmoor, Rhondda, Glasgow and Kent, to name but a few places, show that this is a countrywide issue that we really need to tackle.

Keep Britain Tidy’s 2014-15 local environmental quality survey of England addressed both dog fouling and bagged dog fouling. Statistics that it gathered prove that dog walkers are far more likely to collect and dispose of dog poo when it is light and they feel they are being watched. In the light of that, Keep Britain Tidy started a “We’re watching you” campaign, which featured a pair of eyes that glowed in the dark and was designed to reinforce the message: “If you let your dog foul in an urban or rural area, someone may be watching you.” Often, of course, they are not. That campaign, which was trialled in 17 local authorities in 2014, led to a 46% reduction in recorded fouling and bagged fouling, but too often, the dog poo bauble is lobbed into the trees, away from sight.

It is argued that people should simply “bag it and bin it”. Would that it were that simple. Human nature often leads people to take an easy way out. Carrying a bag of poo for several hours on a family walk is often seen as an unattractive prospect, so, having been picked up, the poo gets lobbed into the bushes. We need to ensure that there are dog poo bins in appropriate locations, but that is only part of the solution.

The strategic placement of bins in rural parks and countryside dog walking hotspots is a key aid to prevent people from incorrectly disposing of dog poo bags. The
National Trust is trying to address this issue on its sites by placing dog poo bins in the immediate area of car parks. Its studies show that, on leaving a vehicle, the vast majority of dogs relieve themselves within 50 metres of the vehicle. Having maps in car parks for country walk areas showing the placement of bins would also encourage more people to bag and bin poo, as they may know that the next bin is only a short distance away.

But that scheme cannot tackle the problem of bagged dog fouling in less populated woodland and countryside environments—open wild spaces where locating a bin would be impractical or even detrimental to the natural landscape. Lawrence Trowbridger, lead ranger at the National Trust’s Ashridge estate, said in an interview in 2015 that the solution was not just about introducing more bins but about “challenging the mindset of the dog walker”.

I completely agree, so how do we change that mindset? How do we educate the public and steer them into good countryside practice?

I have a few suggestions, which I hope the Minister will look at. I believe that we need much better signage in areas such as country parks and forests to show where bins are located, so that people know how far they are from bins and whether bins are available past a certain point. Dog poo counts as waste refuse—not everyone is aware of that—so all waste bins, wherever they are located, should carry a logo showing that it is appropriate to put bagged dog poo in them.

For dog walkers further on in their walk and in a “no bin” area—an area of natural habitat—the sign at the entrance to the walk should show them that they ought to use the “stick and flick” approach, which the Forestry Commission advocates on its website, or cover the poo with leaves or vegetation. Having tried to stick and flick a pseudo-poo—it happened to be chocolate eclair, which did not flick at all well—on the Jeremy Vine show, I can say that is actually quite an effective way of doing things. We need clear, easy-to-recognise graphics in parks, woodland areas and laybys close to footpaths to suggest those methods of disposal.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I recognise that there is a problem here. Organisations from the National Farmers Union to Keep Britain Tidy, which the hon. Lady referenced, strongly support “bag it and bin it”. Anything that detracts from that could cause confusion and undermine the essence of the issue, which is that we want dog owners to act responsibly, in the way that she describes. Does she think that we can have both messages?

Mrs Main: I have done quite a lot of radio interviews on this today, and that is the tension. That is why signage is important. We should have easily recognisable graphics, because then people could see that there is somewhere to put the poo bags and that the poo will be collected. There is no point in bagging poo and then hunting in vain for a bin. That is when it gets lobbed.

We have to work with human nature. “Bag it and bin it” is one thing, but although that is the ideal solution, it is not the only one. I would like to expand on that. We need to look at Natural England’s “Countryside Code”, which is authorised by the Government to enhance comments on dog poo in the various situations that walkers find themselves in. The hon. Gentleman is quite right: that code says “always clean up after your dog and get rid of the mess responsibly—‘bag it and bin it’.”

That is a simple message. Unfortunately, as I showed the Minister before the debate—I am happy to show other people—that simple message is clearly not working. It works a lot of the time, but if someone picks up their dog poo bag, feels that they do not know what to do with it and then lobs it, that is a far worse scenario. Deer and cattle are ingesting the plastic bags. We must tackle that.

Part of the issue is about education. Dogs Trust is working with a pet provider, running education classes for brownies, guides, scouts and so on to try to educate the dog owners of the future. This is a relatively new phenomenon: we did not use to have dog poo bags.

Richard Arkless (Dumfries and Galloway) (SNP): The hon. Lady is making a compelling case. I have attended walk-arounds with dog wardens in my constituency and they say that part of the process required is to educate not only dog owners and walkers but the general public, because the dog wardens cannot take action unless they see walkers depositing where they should not. Does she agree that part of the education process needs to be on the public, who could give information, to help the public help themselves?

Mrs Main: I do. That is why I said that the approach of saying, “There are eyes watching you” does work. However, if someone is out walking their dog, do they want the grief of watching a person’s dog foul, going to find a ranger—assuming they know where he is—and having the argument about whether it was that dog, given that the owner has walked off by that point? The situation is difficult, which is why we need a multi-strand approach.

I am not coming up with answers, but some suggestions: better signage, better placed bins, and a country code that says, “If you are here, this may be the appropriate thing to do. But if there are no bins, it would be inappropriate to bag.” We should get a set of graphics, which should be printed on dog poo bags to reinforce the message. There should be a dog poo bag code of disposal, a bit like for packets of cigarettes.

Dog poo bags are what plastic bags were yesterday. Given the number of pets in this country, I suggest that dog poo bags are as big an environmental problem as supermarket plastic. People use sandwich bags and all sorts, which flutter into waterways and float down into drains. We need to tackle that now and get a grip on it.

I would look at “The Countryside Code”. On farmland, I completely accept, as the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) said, that the NFU is opposed to dog poo being left in rural areas because of the risk posed to the health of cattle and sheep, which may eat the poo. We are back to the educative approach: the NFU has called for posters to be displayed in farmland areas to raise awareness of the problem and for a change to the “Scottish Outdoor Access Code”—I know this is a devolved matter, but it is worth looking at that—to explain the risks posed to cattle more clearly.

The NFU said that there has been an increase in cases of the disease Neospora, which can be spread by dogs that have eaten infected material from cattle, such as placentas from newly calved cows, and then through
dog faeces. The parasite survives for several months and can contaminate the pasture and water supplies. I suggest that while that may have increased, that is one part of the entire problem that needs to be taken into account in the broad brush approach.

Of course, not all farmland has livestock on it, so we need to work with landowners to come up with signage to reflect the local disposal need. Improved signage should appear in lay-bys close to footpaths that cross farmland. People park up in lay-bys and ramble across farmland, where there will not be any bins, guidance or signage. Perhaps where the sign for the parking lay-by is could be an appropriate point to have a small graphic showing dog walkers how to deal with dog poo.

Finally, I know there have been suggestions about DNA testing. That theory has gained a lot of coverage in the media, being viewed by some as a silver bullet to the problems of dog fouling. However, to operate a successful DNA scheme, we would need all dog owners to volunteer to register their dog on a database. Then, using DNA technology, we would be able to trace exactly which dog had committed an offence.

There are fundamental flaws to that initiative at the present time. The major groups involved are not supportive and the scheme would come at considerable cost to local authorities in creating and filling a DNA register as well as carrying out the tests on the offending poo. As I said, we have abandoned the registering of dog fouling incidents; that process would be hugely costly and would not tackle the problem. We would need armies of people to police it. Improved signage should appear in lay-bys and close to footpaths—that would be more helpful. We have to get the public educated so that they feel that not dealing properly with dog fouling is as antisocial as smoking in public places.

I also see an issue in that the type of person who would allow their dog to foul would not register their dog on a DNA register anyway. We therefore need to tackle this problem with awareness and education. The Government have recently announced that they will come up with a new litter strategy. Since dog poo counts as refuse, it would be excellent if the work could incorporate that.

I have been told that I need to tell the Minister that he needs a PPS—a pragmatic poo strategy. I suggest that a pragmatic poo strategy would recognise both the failings of human nature and the need to enjoy the family walk and do the right thing. I look forward to hearing his comments. Hopefully, when he comes up with his new litter strategy, there will be input from landowners, councils, dog walkers, dogs trusts, forestry commissions and all those bodies who experience this problem and seek to encourage the public not to keep creating a mountain of refuse in our wildlife areas.

Mr Philip Hollobone (in the Chair): The debate can last until 5.30 pm. I call Teresa Pearce.

4.47 pm

Teresa Pearce (Erith and Thamesmead) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank the hon. Member for St Albans (Mrs Main) for bringing the debate. It might not seem the most glamorous or exciting of topics, but keeping our communities clean and pleasant is a key part of local government’s remit. Ensuring that our streets, parks, playgrounds and open spaces are free from ugly, unhygienic dog mess is really important.

Dog mess is a source of nuisance to residents and an eyesore on many streets, from high streets in towns and city centres to country paths and village lanes. Roads littered with dog mess damage civic pride and tarnish the image of an area. It is unpleasant in both sight and smell, it is unhygienic, it spreads disease and it becomes a costly problem for local authorities to tackle. In fact, councils spend about £1 billion a year dealing with littering, including dog waste. Furthermore, dog owners who break the law on dog fouling and refuse to clean up after their dogs put the health of others at risk, particularly children.

It is children who are most at risk of contact with dog excrement, which can cause toxo—I cannot say the word.

MRS MAIN: Toxocariasis.

Teresa Pearce: That’s it—I thank the hon. Lady for her intervention. It is a nasty infection that can lead to dizziness, nausea, asthma and even blindness and seizures.

It is not surprising that 47% of people in the UK think that dog fouling is one of the most annoying things they experience in public places. I recently met a group of cyclists who told me that one of the worst things they encounter, when cycling through country lanes, are these “baubles”, which the hon. Lady referred to, hanging from trees, which hit them in the face as they are riding and trying to enjoy the countryside. The public rank dog fouling as even more annoying than general littering, pollution, traffic and smoking. According to Keep Britain Tidy, dog fouling is “a major concern to members of the public”.

A survey that it undertook of more than 10,000 sites found dog mess left in 7% of places. As such, it is a major issue for local authorities.

We seem to have got the “bag it and bin it” message out in towns, but there needs to be a different message in the countryside. In particular, it is important to keep local parks free from dog mess. Parks and green spaces play a crucial role in the health of our communities, including the mental health and general wellbeing of our residents. Parks provide spaces for exercise, cultural events, picnics, walks and everyday contact with the natural environment, which is proven to have a positive impact on mental health—particularly in towns and cities, where people’s lives are increasingly confined to home, work and commuting between the two.

Parks and open spaces are crucial to improving health and happiness in a society with increasing levels of obesity and disorders such as depression and anxiety. In that context, it is disappointing that parks and green spaces are facing unprecedented budgetary cuts that threaten their future existence. More than 90% of park managers expect decreased funding this year, while 77% of street cleaning services expect decreased funding over the next five years. That reduction will amount to more than 20% of their funding, which will have an impact on the presence of dog mess on our streets and in our parks.

The hon. Member for St Albans mentioned earlier that DEFRA no longer collects figures regarding dog mess. I agree with her that doing so might be an
unnecessary burden; however, BBC figures show that 103 of 302 local authorities surveyed did not issue any fines for dog fouling at all in 2014-15. Enforcement is quite difficult. As was explained, it has to be witnessed and somebody has to report it. It is almost impossible: somebody would need to be very lucky to be in the right place at the right time.

Mrs Main: I thank the hon. Lady for reinforcing that point. People are also reluctant to be confrontational. Putting the onus on somebody having to report somebody else is very difficult. I understand why. We have to face into this.

Teresa Pearce: I completely agree. There are particularly bad dog owners in some parks quite near where I live. To be quite honest, one would not want to confront them—or the dog—on any issue, because they are quite aggressive people. I did a very unscientific survey among my friends earlier today. I asked if they understood what bin to put dog mess in, and a huge proportion thought it could only be put in the dog mess bin, which is not correct. These are regular dog walkers, yet they did not know that, so education is really important.

Many local authorities are using behaviour-change approaches to reduce dog fouling, but we need to make sure they are using the right message. As I said, “bag it and bin it” may be the right message in towns, but in the countryside it may be completely the wrong message and could actually cause further problems. I was particularly interested in the hon. Lady’s experiment with the chocolate éclair—I might see if I can find it on YouTube.

Mrs Main: I can tell the hon. Lady that she can do that. They also put down a can of chilli sauce and a bread roll soaked in water. They gave me a flimsy stick to try to demonstrate stick and flick, but it was not really the best representation of the way to do it, according to the Forestry Commission. The video is online.

Teresa Pearce: I thank the hon. Lady for the clarification. Local authorities have been campaigning with public sector bodies such as Keep Britain Tidy and third sector organisations such as Dogs Trust on the issue of dog fouling. Keep Britain Tidy’s 2010 campaign, “There’s no such thing as the dog poo fairy”, led to some organisations seeing a 90% decrease in dog mess. The Dogs Trust’s “The Big Scoop” campaign involves posters, installations in parks and dispensers of free dog poo bags—although as we have heard, that might not be the answer in some areas.

In 2012, West Dunbartonshire Council armed its local clean-up workers with cans of bright spray paint to tag abandoned dog waste in a highly visible colour scheme to shame guilty dog owners and notify pedestrians that the dog waste was there. Leeds City Council’s litter and dog fouling campaign includes a reward scheme for people seen by enforcement officers using litter bins, and Manchester City Council ran a campaign with posters reinforcing responsibility for littering. However, dealing with these issues is expensive, and local authority budgets are restricted at this time, so we need to change behaviours. I was a dog owner for many years; unfortunately we lost our little Jack Russell, Mrs Biggles, last year. I would never have dreamt of bagging and not binning. If I could not bin, I would take it home. However, I was not on a long country walk, which is a different circumstance altogether; I was always relatively near where I live.

Unless there is continued investment in campaigns to deter dog owners from shirking their responsibilities, we will see regression in a culture that has actually been steadily improving for years. Lack of bins, particularly on public footpaths through the countryside, can also prevent dog owners from collecting dog mess. However, it is not only the lack of bins; it is about disposing of the dog mess properly. It is incomprehensible that anybody could think it was okay to bag and then just throw or flick. It is the equivalent of someone throwing a fast food bag out of the car as they drive along. It is basically pushing the responsibility for clearing it up on to somebody else. I was particularly struck by the reference to plastic shopping bags and how this is becoming a similar issue. One of my local councils recently suggested that it could increase its income by putting advertising on dog poo bags, because so many are sold. I am not quite sure whether that is a good idea or not—it is innovative, if nothing else.

Dog mess is the most unacceptable and offensive type of litter on our streets, and dog fouling is one of the most annoying and avoidable issues that concerns the public. However, the problem will not disappear on its own. An estimated 8 million dogs now live in households in the UK and produce nearly 1,000 tonnes of mess every day in the UK alone. Nearly a quarter of British people find dog mess in their local city, town or village at least once a day, and almost three quarters of people experience that on a weekly basis. We need to educate dog owners. The “bag it and bin it” message seems to have been successful, but this new phenomenon needs tackling. The hon. Lady said that she is not coming up with the answer today, but she is identifying and publicising the problem, which is the first step in finding an answer. I look forward to the Minister’s response.

Mr Philip Hollobone (in the Chair): At the end of Minister’s response, Anne Main will have the opportunity to sum up the debate.

4.56 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for St Albans (Mrs Main) for securing this important debate. It is easy to make light of this subject; many puns, jokes and all of those sorts of things come to mind. I reassure my hon. Friend that I will not venture down that path, because this is an extremely important and serious issue—not only for my hon. Friend’s constituents, but for our constituents right across the country.

Our manifesto included a clear commitment to be the first Government to leave the environment in a better state than we found it. While Government policy on local environmental quality issues, including litter and dog fouling, is led by the Department for Environment, Food and Rural Affairs, I assure my hon. Friend that DEFRA works very closely with my Department on these issues, and I certainly take a keen personal interest in them as well.

This country is often described as a nation of animal lovers: with a population of more than 8.5 million dogs—one dog for every seven people—we can certainly say that we love our dogs. We know that owning a dog brings companionship. According to some studies it can also bring certain health benefits, such as the lowering
of blood pressure and overall stress levels. Of course, when someone exercises their dog, they are exercising themselves.

Having a clean environment in which to live, work and exercise, including exercising our pets, is of great importance. There is certainly evidence that a poor-quality local environment affected by problems such as litter, dog fouling and graffiti can restrict that area’s economic growth, reduce property prices and increase people’s fear of crime. That, in turn, discourages people from going outside, exercising and being an active part of their local community.

As we all know, with dog ownership comes significant responsibility. All dog owners are required by law to provide for the welfare needs of their animals, and they must ensure that their dogs are under proper control at all times. That includes dealing with the inevitable consequences of owning a dog, including cleaning up after them. One estimate puts the amount of dog faeces produced daily in England at more than 1,000 tonnes. Littering and dog fouling are, without question, deeply antisocial actions that pose a significant risk to human health and animal welfare.

For local authorities, maintaining a clean local environment is a significant financial issue. It costs councils hundreds of millions of pounds every year to clean up litter, including removing dog waste from our streets and public streets. Local authorities should not have to do that. Dog fouling is an avoidable problem. We have to acknowledge, as my hon. Friend the Member for St Albans did, that most dog owners are very careful; they clean up after their pets and are responsible people. That said, we must do more to take on the small minority who think it is right and appropriate to leave the mess that my hon. Friend described and has provided me with pictures of, from situations across the country. We must hold those people to account.

This is a significant issue, but we must look at the overall context. The latest local environmental quality survey of England found that fewer than 10% of sites surveyed were affected by dog fouling or bagged dog faeces in 2014-15. The few irresponsible dog owners who do not clean up and leave an unsightly, unhygienic mess rather spoil the environment for all other users.

Research has found that dog fouling is perceived by more than two thirds of people to be the most offensive type of litter. I certainly agree with them. Recently, on the day of the Great British Spring Clean, I went out on several occasions in my constituency with teams to pick up litter, and I can identify with what my hon. Friend said. I found myself on a riverbank collecting litter, a significant amount of which was caused by this very problem—people doing the right thing and bagging up their dog faeces but then, for some inexplicable reason, thinking it is right to either put it down on the grass or throw it into the hedge. That seems remarkable, and particularly so in the location involved, because there was a dedicated dog fouling bin within a matter of 100 metres. My hon. Friend is raising an issue that is extremely pertinent right across the country.

Mrs Main: I thank the Minister for sharing that personal experience with us. Councils have said that their operatives are having to climb into trees to cut these bags down and are coming across decomposing poo. That is bad for the health of the council operatives and a more costly way to collect. It is a litter and refuse problem tied together, which is really the worst combination.

Mr Jones: I completely agree. This is a completely unacceptable practice that causes a huge problem to local authorities, which are left with the prospect of having to sort out the issue left behind by the very people who pay the council tax. We might think that those people look at their council tax bill and ask, “Do I want to spend part of my council tax on a problem that I am creating?” There is a real issue in terms of education, which I will come on to in a moment.

Having said that, it is still in local authorities’ interests to invest in maintaining a clean and welcoming environment, to improve wellbeing and attract inward investment. A number of councils and other organisations are looking at innovative solutions, examples of which have been given today. We know that signage can have an impact. Examples such as Keep Britain Tidy’s successful poster campaign on dog fouling—my hon. Friend mentioned the demon eyes on the poster, watching us—have had a positive outcome in the areas where they have been used.

As my hon. Friend mentioned, the Forestry Commission is encouraging people to use the stick and flick method in the forest, moving the waste away from the path into the undergrowth, where it can be naturally broken down. There were also recent articles about provision of poo bag dispensers in an Aberdeen community and areas in Stoke where they are trialling a fine of £100, using a public spaces protection order, if dog walkers fail to carry poo bags. I acknowledge what has been said in relation to enforcement. That comes with its challenges, and therefore alongside any enforcement activity there must be significant education, so that people finally realise this is not an acceptable practice.

Different methods work in different places. The stick and flick method certainly may work where the Forestry Commission advocates it, but as my hon. Friend said, the Forestry Commission does not advise that practice near car parks or other sensitive areas. It may also not be acceptable in urban parks and areas where there are housing developments.

My hon. Friend talked about signage and a number of other initiatives that could be used, such as more information on waste bins and the manufacturing of the bags. The hon. Member for Erith and Thamesmead (Teresa Pearce) made an important point about advertising. The packaging that bags come in could be used as a way of informing dog owners of the right thing to do. Those are things we will look at.

We have a litter strategy, which will be published. We do not just want that strategy to be a document that sits on the shelf, gathering dust and not doing the job we intend it to do. We will have a number of working groups, including organisations involved in providing bins, manufacturers of packaging and so on. We fully intend, through those working groups, to look at some of the individual challenges and see if we can come up with solutions. I am certainly keen to hear more from my hon. Friend—or indeed, any other hon. Member in this House—if she comes across any ideas that we may be able to take on to deal with this important issue.
There is no excuse for dog fouling. Some dog walkers seem to think it is acceptable to leave their mess behind. They think someone will pick the bag up or, in the worst case scenario, they are just completely ignorant and do not think they need to deal with it, because someone else will pick up the tab. We should be clear that this is disgusting, antisocial, dangerous to human health and dangerous to animals and other wildlife. We should, at every turn, encourage people to act responsibly and follow the vast majority of dog owners who do the right thing by picking up after their dogs and, if there is no bin, taking the bag home.

5.9 pm

Mrs Main: I thank the Minister for those very helpful comments. I suggest broadening the approach to include, for example, pet food manufacturers and vets. Clear guidance should be printed on everything—a bit like tobacco warnings—and there should be more use of advertising. As the hon. Member for Erith and Thamesmead (Teresa Pearce), who speaks for the Opposition, said, people are not aware that they can use ordinary bins. There needs to be signage on ordinary bins to show that they can be used for dog poo waste. There should be a graphic on all these things.

I have explained what we need to be doing. It is really important that we get feed-in from countryside landowners, farmers and, as I said, vets and pet food manufacturers. Let us exploit the good will that is out there for those of us who love our pets. I would not mind reading on the side of my dog food tin about how to dispose of dog poop. We should all have that information. It should become a matter of course for this practice not to be tolerated. As the hon. Lady said, it is exactly like jettisoning stuff out of a car window. That used to happen such a lot, and it still does happen, but not as much.

Let me close with the poem that the Forestry Commission likes everyone to read:

“If your dog should do a plop, take a while and make a stop, just find a stick and flick it wide into the undergrowth at the side.

If your dog should do a do, you don’t want it on your shoe, find a stick, pick a spot, flick into the bushes so it can rot.

If your dog should do a poo, this is what you should do, just find a stick and flick it wide into the undergrowth at the side.

If your dog should make a mess there really is no need to stress. Find a stick, pick a spot, flick into the bushes so it can rot.”

With that, I rest my case, Mr Hollobone.

Question put and agreed to.

Resolved.

That this House has considered dog fouling.

5.11 pm

Sitting adjourned.
Westminster Hall

Wednesday 15 March 2017

[Mr Christopher Chope in the Chair]

Maternity Discrimination


9.30 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I beg to move,

That this House has considered the effect of maternity discrimination.

It is an honour to serve under your chairmanship, Mr Chope. I am very pleased to have secured this debate on an important topic for many women and a key campaigning area for the Labour party: maternity discrimination. I thank all hon. Members who have turned out this morning to contribute to it.

Maternity discrimination is an issue that cannot be ignored. It is only right that action be taken to ensure that this persistent issue in our society is ended once and for all. It is a welcome point of reflection for us all that this debate comes exactly a week after we celebrated International Women’s Day and just over a week before Mother’s Day. I felt it was important to secure the debate today, although I hope not—think that maternity discrimination is not a concern that we should focus on, possibly because it does not feature on their radar at all. But it is real, it is happening and it is becoming ever present in our society. Action is needed. That is clearly documented in the Women and Equalities Committee report from last August, which highlighted the fact that pregnant women and mothers are now reporting more discrimination and worse treatment in the workplace than 10 years ago. By some estimates, that discrimination is double what it used to be. According to the Government’s own figures, one in nine women—54,000 in total—is forced out of their jobs each year because of being a mother or becoming pregnant. If that statistic applied to the women elected to this place, it would mean 21 of our female MPs being forced out of this House. If that happened, we would be up in arms and raising merry hell on the Floor of the House. Well, if it is not acceptable for women in this place, it is not acceptable for women in any workplace.

A hundred years ago, women got the vote for the very first time, as part of a campaign to see women become part of public life so that they did not have to abide by the whim of a man and could be fully integrated into society, taking their rightful place as both actors and influencers in how our country should look and act. However, a century on, women still face many hurdles, and all because of their gender.

I will touch on three key themes in my speech. First, I want to set the scene by expanding on the ramifications, both economic and social, of maternity discrimination in our society. I will then move on to the work of the Equality and Human Rights Commission and the Women and Equalities Committee. Finally, I will look at what the Government are doing—or not doing—to end maternity discrimination.

As I said, this place would be a lot worse off if the statistics on maternity discrimination were replicated in this, the mother of Parliaments. However, maternity discrimination has a far broader impact on our society than some may first expect. The financial costs identified affect not only society, but businesses, the Government and the women themselves. A report last year by the EHRC found: “The cost to employers of women being forced to leave their job as a result of…discrimination…was estimated to be around £278.8 million over the course of a year.”

Much of that cost was incurred owing to recruitment and training to replace the woman who was forced out of her job, lost productivity from being down a member of staff and statutory maternity payments if the woman was on leave when she left work. For the Government, maternity discrimination means not only lost tax revenue from women not working, but increased benefit payments when they seek support because they have been forced out of work. The cost to the Government is between £14 million and £16.7 million a year.

The financial losses that women themselves face have been estimated to range from between £28.9 million and £34.2 million. Some 20% of women reported significant financial losses as a result of failing to get a promotion, receiving lower pay increases or bonuses than they would have secured were they not pregnant, or even demotion for becoming pregnant. Pregnancy and children are costly—there is no doubt about it—but the costs incurred by women are unjust, unfair and discriminatory. The gift of pregnancy should never be a cost to a woman’s potential or her economic worth.

It is not only the economic costs of women being forced out of the workplace or facing discrimination for becoming pregnant that are a problem, but the social and equality issues that arise. Women’s position in society has come on in leaps and bounds from the time when they were not able to vote, could not work once they were married, had to stay at home or had to defer to a man for every major decision made in their life—as late as the 1970s, women had to have a male guarantor for a mortgage. However, the specific issue of maternity discrimination highlights the fact that the position of women in our society is still tentative. There is still a long way to go.

Jessica Morden (Newport East) (Lab): I congratulate my hon. Friend on securing this important debate and on her excellent speech. Does she agree that such discrimination also happens later on in life? We should recognise that women also face discrimination during the menopause. That point was very well made to me on Saturday by the Wales TUC women’s committee, which is doing a survey on that very subject.

Mrs Hodgson: I am grateful to my hon. Friend for raising that period in women’s lives. I will not be able to touch on it in my speech, but it is very important. There
is a real lack of knowledge about what women have to go through during the menopause. I am probably not long off that period myself. People have no idea what women may have to go through, but we hear all the horror stories. A little understanding from employers would make all the difference. I know that I would probably be a better employer after I have gone through it; unfortunately, men do not have that luxury, so they rely upon us to tell them. That is definitely an important aspect of the matter, and I am grateful to my hon. Friend for raising it.

Some may argue otherwise, but for me and many other women—especially on this side of the House, but across the House, too—equality is a cause worth fighting for, because it creates not only a fairer society, but a stronger and more resilient one. Maternity discrimination holds us back from achieving that goal of an equal society. We need renewed vigour to tackle the problem, so that we can fully realise our country’s potential, with everyone having a fair chance in life and not having to face discrimination for being who they are. It was therefore welcome that this time last year the EHRC and the Department for Business, Innovation and Skills published their findings on the prevalence and nature of maternity discrimination in our society, so that we could fully understand the scale of the problem, which was indeed damming. The research showed that, of the women surveyed,

“77%...had a negative or possibly discriminatory experience during pregnancy; maternity leave; and on their return from maternity leave.”

Such experiences included facing harassment or negative comments related to their pregnancy, struggling to secure flexible working from their employer to manage the demands of pregnancy and subsequent childcare, or, for 9% of women, feeling that they had to leave their job because they were being treated poorly or unfairly.

What women are documented as facing because of pregnancy and impending motherhood is worrying and deeply shocking. Even case studies from Maternity Action have documented these shameful occurrences. One woman became so stressed with her working environment, where she was being singled out by her manager and treated appallingly, that she was signed off sick with stress before her maternity leave had even begun. As we all know, when someone is pregnant, stress is the last thing she needs. She is told to have a calm and radiant time, which was hardly the case for that mother. It goes without saying that no woman should face such hurdles in life or feel pressured into choosing between having children or having a career that progresses at the same rate as the careers of their male counterparts.

Following the forensic light shone on the issue by the EHRC, the Women and Equalities Committee, under the excellent leadership of the right hon. Member for Basingstoke (Mrs Miller), who I am thrilled to see in the excellent leadership of the right hon. Member for EHR C, the Women and Equalities Committee, under that progresses at the same rate as the careers of their other women—especially on this side of the House, but

Included in the recommendations in the Select Committee’s report were further calls for action around the health and safety of pregnant women in the workplace, such as placing a duty on employers to conduct an individual risk assessment for new and expectant mothers, all the way to identifying issues around casual, agency and zero-hours workers, who do not have the same pregnancy and maternity entitlements as women classed as employees.

Melanie Onn (Great Grimsby) (Lab): In an economy that increasingly relies on temporary contracts, more and more women are unable to access any kind of statutory maternity leave, because they have no right to it. That is because they are classed as workers rather than employees. Does my hon. Friend agree that much more needs to be done to provide those women with better access to maternity rights?

Mrs Hodgson: I totally agree. On the issue of workers and employees, there is clearly a need to tidy up the law so that women who work in these areas of the labour market are protected and guaranteed the same rights as those women who are classed as employees, so I am very pleased that my hon. Friend has raised that issue. Indeed, Maternity Action has pushed for action on it and recently made a submission to the Matthew Taylor review, which aims to look at working practices in the modern economy, and to the Select Committee on Business, Energy and Industrial Strategy inquiry, “Future World of Work”. I hope that the Minister will be able to shed some light on progress on this issue.

It is safe to say that when the Government eventually responded to the Women and Equalities Committee report, the response was far from pleasing. Although the Government’s commitment to zero tolerance of discrimination against expectant or new mothers in the workplace is to be welcomed, as is the announcement of a consultation on protecting pregnant women against redundancy, sadly the wider response failed to see words leading to action. The Government’s response can easily be seen as a mixture of defending the unacceptable status quo and kicking the issue into the long grass, as if it was something that should be thought about on another day. The Government are failing to realise that this is happening right now.

I am not just making a party political point. The likes of Maternity Action have analysed the Government’s response and reaction to each of the recommendations and have come to the same conclusion: that the Government see this as an issue for another day. I have a lot of time and respect for the Minister who is responding to this debate—she knows that—but I find the Government’s response disappointing to say the least. That is why I hope she can offer me some reassurances when she responds to this debate.

I would like the Minister to consider two things ahead of her response. First, when will we see the details of the consultation on protecting pregnant women from redundancy? Two months on from the Government’s commitment to consult on this issue, we are yet to see publication of the scale or time frame. I hope that information will be forthcoming following this debate, and sooner rather than later. Even better, the Minister could announce further details in her speech today.
My second ask is that the Government take another look at the excellent recommendations in the Select Committee’s report and heed the words of the right hon. Member for Basingstoke, who said that the Government’s response was “a missed opportunity for the Government to demonstrate the urgency and bite on this issue that we found lacking”.

I could not have put it better myself. Therefore, I hope that the Minister will commit to re-evaluating the Government’s response to the Select Committee report and their own wider actions when it comes to maternity discrimination.

To conclude, we have come a long way in the march for women’s equality. I know that this point will not be lost on the Minister, but it bears reiterating: as the current standard bearers, we in this House have a duty to uphold the work done by the women who came before us. Failing to end maternity discrimination would betray our crusading predecessors, who campaigned to improve the position of women in society. As women here today, we have the power to make the changes possible for women who face discrimination in the workplace for being pregnant or being a new mother. However, we must also stand up for the women who will come after those facing these challenges now, and ensure that in the future no woman faces discrimination in the workplace for doing what is only natural—having a child.

I hope that the Minister will heed this call to arms and take it back to her officials, knowing that we in this House and many more women beyond this Chamber are willing her on to make the changes needed and improve the standing of women in the workplace. She alone has the power to do that. I hope she realises that and does not squander this incredible position she has to enact change.

9.44 am

Mrs Maria Miller (Basingstoke) (Con): It is a pleasure to serve under your chairmanship, Mr Chope.

I shall begin by apologising to Members for the fact that I need to leave shortly before the end of the debate, as I have to chair a Select Committee. I hope that they will accept my apologies.

I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson) on securing such an important debate. We have record numbers of women in work in this country, but we still have a workplace that is not sufficiently modernised to deal with those record numbers. The hon. Lady took an intervention from the right hon. Member for Great Grimsby (Melanie Onn), who was absolutely right to say that all too often women are not being dealt with in the way that all of us, as constituency MPs, would want them to be dealt with.

We need to modernise the workplace and make sure that it can deal fairly with both mothers and fathers who have caring responsibilities. In particular, and in keeping with the subject of this debate, we need to ensure that the critical issues that the hon. Member for Washington and Sunderland West identified, which have also been identified by both the Select Committee report that she referred to and by the Equality and Human Rights Commission in its work on discrimination, are outlawed and stopped. We cannot allow those things to continue.

As the hon. Lady mentioned, the Government’s own research has indicated that around three quarters of the women involved in that research have experienced a negative or potentially discriminatory experience as a result of their pregnancy. We would not expect that in a country that prides itself on introducing the Equality Act 2010 and on the fact that we have record numbers of women in work.

Not for a moment do I question the commitment of my hon. Friend the Minister in this area; as someone who has extensive knowledge of and experience in business, she will know first-hand the importance of supporting women and fathers through the experience of having a new addition to their family. At the moment, however, the law is not working in the way that we intend it to, which is what I want to focus on.

I shall discuss three recommendations in the Select Committee report, to which the hon. Member for Washington and Sunderland West kindly referred in her speech. First, not all people who are in work are treated the same, and a difference has started to emerge between workers and employees. In particular, the fact that many women are not able to access paid time off work to attend antenatal appointments should be deeply worrying to us all, because there is clear evidence that attending antenatal appointments and receiving regular support through pregnancy is critical to the health of both the unborn child and the mother. If we are not to accrue costs beyond the pregnancy, because of conditions such as postnatal depression or because of issues around the health of children, we need to address this matter, and rapidly.

I do not think that there was ever really any intention for us to get to a position where quite large groups of women were not covered to have paid time off. However, when the Select Committee visited to Portsmouth with my hon. Friend the Member for Portsmouth South (Mrs Drummond) to take evidence from individuals in the community as part of our deliberations, we met women who had not had access to paid time off for antenatal appointments, which caused them deep distress and great worry.

The Government need to look at that issue and address it quickly. Perhaps during the Brexit deliberations and the passage of the great repeal Bill, and given the clear commitment from the Prime Minister to protect and, I hope, enhance workers’ rights, this issue can be dealt with swiftly.

Melanie Onn: Does the right hon. Lady agree that there is also scope for raising awareness of women’s rights at work, particularly their right to maternity-related pay, leave and other support, such as the antenatal appointments that she referred to?

Mrs Miller: The hon. Lady makes a really important point, which I would take one stage further: it is not just about women and mothers; it is about men, too. If we are to tackle the issues around shared parental leave and its low take-up, we need to ensure that the information is there for mums and dads—and, indeed, all individuals involved in new parenthood. The research we did for our Select Committee report uncovered the fact that
many dads find it difficult to access information and perhaps even more difficult to ask for information from their employer. A number of the recommendations in our report cover access to information, and I know the Government will have looked at them carefully.

My second point is about how we can learn from other countries—near neighbours and countries that are very like us. Many Members get a little fed up about the fact that we always refer to Scandinavia when we look for models for how we should run our country, so this time let us look at Germany. It has a very strong economy and is well run. It has an interesting way of providing the additional protection for pregnant women that I would like to see in our country. It has protection from redundancy for new and expectant mothers up to six months after the birth of a child. That has worked well and made it clear to employers that redundancy is not an option or way forward.

Anecdotally, I have spoken to constituents and people I know who have been pregnant, and they have been offered redundancy while on maternity leave. My goodness, that is a difficult choice, is it not? New mums are coping with an incredibly stressful and possibly quite vulnerable situation. For their employer to offer them redundancy could well be attractive at that point, and they may well take it up and sign a piece of paper saying that they will not disclose that they have taken that offer. That makes it difficult to see that such things are going on. They then come out on the other side of the pregnancy and maternity leave and find it incredibly difficult to get back into the workplace: that is hard, particularly if, as the research tells us, someone has taken more than six months of maternity leave. It would be useful to look at the German system and perhaps interpret it for our country. I do not think anyone could say that Germany is not a competitive economy. Its productivity levels are far higher than the UK’s, and I urge the Government to consider that measure as part of their work.

The final point that I want to draw everyone’s attention to is the probable underestimation of the scale of the problem. I referred earlier to women who might be on maternity leave who take up the offer of redundancy. That is not recorded. Cases may be happening, and we might simply not be grappling with the scale of the problem. That demonstrates the need to ensure that the enforcement action available in this country has teeth. I welcome the thoughtful work that the Government have already done on tribunal fees. I know they are thinking about how we can make tribunals more accessible for more people.

I welcome that, but another problem for pregnant women is the time limit that precludes their taking action where there has been discrimination; action cannot be taken more than three months after the incident. I cannot recall how old your children are, Mr Chope, but I am sure you can cast your mind back to the position: three months after the birth of a child or three months after your wife might have taken maternity leave. It is a hectic time when it is difficult to think about bringing a discrimination case. There are better things to do.

I was therefore slightly disappointed that the Government said that at this point they will not consider extending that time limit for pregnant women to six months. It would be entirely appropriate to do that. I do not think there would be a cost to the Government in doing so, and a great deal of fairness would come into play. I hope that they can do this, as well as encouraging the Equality and Human Rights Commission to demonstrate the strength of the law by bringing more cases more publicly. That would show that there are consequences to the ill-treatment of women who are pregnant or on maternity leave and that this is not something that companies should be treating in an apparently cavalier fashion.

The Minister has looked at the matter in detail, and I give her my personal thanks. The response to my Committee’s report demonstrated her careful attention, and I thank her for that. I also reiterate my thanks to the hon. Member for Washington and Sunderland West for calling this debate, which has given me an opportunity to contribute and underline the report that the Committee wrote. A number of members of the Committee are here today.

9.55 am

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to see you in the Chair, Mr Chope. I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for securing this debate. It is not the first time we have debated this issue in Westminster Hall or other parts of this building. In July last year, we had a debate on this issue. In January, I spoke at an event with the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Rotherham (Sarah Champion) hosted by Maternity Action.

It is with some frustration that we are here today, having seen so little progress on the excellent recommendations by the Women and Equalities Committee and so many other campaigning groups. At the event in January, Maternity Action previewed some excellent videos that it had produced to highlight to women the actions they can take. The videos put it very well. It was ordinary women in ordinary jobs facing up to the issues that every pregnant woman must face about what will happen with their job and what will happen when they become pregnant in the first place and when they have their baby. I encourage all women and, indeed, men watching this debate to take a look at those videos and to share them widely, so that women know what their rights are and that they can come forward. It seems clear that women are not aware of their rights and are not being encouraged to exercise them.

It should not be down to charities such as Maternity Action and grassroots campaigns such as Pregnant Then Screwed to highlight to women their rights. The Government should be letting women know what their rights are and encouraging them to take them up. They should be cracking down on employers who inhibit women from doing so, and they clearly have a role in that.

The Alliance for Maternity Rights has a 32-point action plan to put an end to pregnancy discrimination in the workplace. It makes a great number of excellent recommendations, one of which is about access to information. When women come into contact with officials, that should be used as an opportunity to get information and reinforce what their rights are and where they can seek advice and seek help. Some of those things are being done in Scotland. Point 10 of the action plan is:

“Reintroduction of the ‘Pregnancy’ and ‘Birth to Five’ books... in translation and accessible formats... for new and expectant parents”. 
In Scotland, we have the “Ready Steady Baby” books and a great deal of information is available about women’s rights within pregnancy and once they have had the baby. It is important that women have every opportunity possible to get that information.

The action plan also has good recommendations about improving employer practice. Point 3 is:

“Commit to working with employers to encourage them to evaluate the retention rates for women one year after returning to work following maternity leave, as part of their gender pay gap analysis.”

When they go back to work, some women find it just too difficult to juggle all the things they have to juggle, whether it is childcare or trying to get to work on time or to leave on time to pick children up from whoever is looking after them. It is incredibly difficult and stressful, and some women find that far too difficult and that flexibility is not built in.

Point 4 is:

“Work with employers and third party organisations including recruiters to encourage a ‘flexible by default’ approach to all roles (working hours are flexible unless there is a genuine business case against).”

As the right hon. Member for Basingstoke (Mrs Miller) mentioned, that is good for men, too. My hon. Friend the Member for Airdrie and Shotts (Neil Gray) encouraged me to point out that only 2% to 8% of men take up their right to shared parental leave. That is tiny. If maternity leave and maternity leave are made more accessible, more normal and more mainstream—something that everybody has a right to take up—that has to be good for men, as it is for women. Employers are obliged to consider requests for flexible working, but they are under no compulsion to act on that. Sometimes getting up the courage even to ask for flexible working can be incredibly difficult.

The issue around stress in pregnancy is also significant. I had a briefing from the Personal Social Services Research Unit at the London School of Economics, which highlights the costs to society of perinatal mental health problems. That is a serious issue made worse by the stress of pregnancy when it comes to dealing with employers. The briefing states:

“Taken together, perinatal depression, anxiety and psychosis carry a...long-term cost to society of about £8.1 billion for each one-year cohort of births in the UK. This is equivalent to a cost of just under £10,000 for every single birth in the country.”

How much of that is down to the stress of dealing with unsympathetic employers who do not help and support women in those circumstances? If we can do something to reduce that stress and the impact it has on those women and their unborn children, we should definitely do it.

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): I thank the hon. Lady for giving way and I apologise for being late. Ironically, I was dropping my daughter off at nursery, which is why I came in a bit late. The hon. Lady is making a passionate speech.

I want to raise a point about Parliament when I was pregnant last year. It may surprise some Members to know that there is no maternity leave here in Parliament. I raised the issue several times and was met with hostility across the board from people of all political parties. The right hon. Member for Basingstoke (Mrs Miller) was one of the few who listened and said she would try to make some changes. Does the hon. Member for Glasgow Central (Alison Thewliss) agree that if we are preaching about maternity discrimination, perhaps we should think about the fact that Members such as myself have had to come back to Parliament almost immediately after having an emergency C-section.

**Alison Thewliss**: I absolutely agree. I know the hon. Lady has tried very hard and has been in the Chamber with her baby at times. I am glad to see babies in the Chamber, but that speaks to the fact that there is no other provision in this building. There is no alternative for people to look after their babies other than perhaps leaving them with a member of staff. The nursery across the road is not a crèche. We need to think better about how we encourage women into this building in the first place and how we keep them here. There is not enough support.

The hon. Lady’s point about maternity leave is right. It is also true for councillors across the country as well. There is no provision under the Local Government Act 1972 for councillors to have maternity leave, and lots of councils do not have any provision, either. I know because I breastfed both of my small children when I was at Glasgow City Council, and I just had to make the best of that. The council was very supportive at the time, but I know that it is difficult and a challenge for women in politics, and we need to think about how we support women in that field.

Access to justice is a serious issue as well. The EHRC, an organisation at serious risk right now, has been mentioned. It does not have enough funding and cannot support all the women it would like to support. The Government need to give serious consideration to making their role in this real, because if they cut funding as well as having tribunal fees, they are denying women access to the justice that they deserve.

**Pregnant Then Screwed** has a campaign called “Give Me Six” to highlight an issue that the right hon. Member for Basingstoke raised about having six months to make a claim. There is a petition with 50,000 signatures. I encourage people to sign it, because it is incredibly important that the Government recognise that three months is a barrier. There are so many things going on that people cannot access their rights under employment tribunals, and six months would give them a little more breathing space.

It would be remiss of me not to mention breastfeeding in this debate. As always, I want to raise the issue of breastfeeding and Maternity Action has highlighted, one in five women who stopped breastfeeding say that returning to work influenced that decision, and more than half would like to have breastfed for longer. That is a difficulty. Employers need to be aware of what they can put in for breastfeeding mums. The Alliance for Maternity Rights recommends that the Government

“Ensure...breastfeeding is covered in... HSE template risk assessments”,

and calls on them to

“Introduce a statutory right to time off and facilities for breastfeeding”.

Such facilities do not need to be complex. We simply need a private room with access to a plug point for a breast pump, so that there is time and space for that, and fridge facilities for putting the milk in. Those are
not difficult asks for employers, but women have to have confidence that they can ask and not be misunderstood, dismissed or laughed at, and that employers are able to provide such facilities as easily and as quickly as possible.

I will close by giving some examples from constituents of mine who got in touch with my Facebook page after the event in January. I was shocked at how quickly these examples of people's experiences came in and how commonplace they were. The women told their stories almost casually. The first woman said:

“I was made redundant at 3 months pg. I was one of 5 HR Managers doing exactly the same jobs. (Not) surprisingly none of the others were even in the consultation process.”

The right hon. Member for Basingstoke mentioned Germany as an example. Such examples might stop such practices. The second woman said:

“I worked for a company that got around laws by describing its workers as freelance. They told me to go on benefits when I was pregnant, a few months later they were made to make their freelancers paid employees, but I was just left pregnant on benefits. Very stressful all round, I was told I had no legal come back on them as I had had to leave whilst still freelance.”

The third woman said:

“My gran's neighbour was two weeks away from leaving on maternity leave meaning she would get maternity pay when they said to her they didn’t need her any longer and let her go.”

The fourth woman said:

“This happened to me. I got a job and when I told them I was pregnant they withdrew the...offer claiming I wasn’t suitable for the post and that I’d only ever been a candidate. I took them to tribunal and lost, but I wanted to hold them to account. It’s awful that companies can and do get away with treating expectant and new mums like this and if you want to take them to court you need to pay for it.”

That woman was actually applying for a job in a nursery, so we might expect them to have some appreciation of babies and childbirth and suchlike. Another woman said:

“I had to quit my job. They gave me less hours as I had hyperemesis gravidarum but not less duties or even breaks when I was on shift.”

That speaks to the understanding of pregnancy. Some employers, male and female, go with their own experience on this. If they did not have morning sickness or particular experiences in pregnancy, they will often think that is true for all women—“If I was able to get up and go to work while I was pregnant, you should be able to, too.”

Employers need clear advice on such issues.

When I was coming here across from the main building, I noticed a buggy sitting outside the Labour Whips Office. I assumed it belonged to the hon. Member for Kingston upon Hull East (Karl Turner). That speaks to the point that we need to make sure that babies are visible. The lives of ordinary people involve having children and the different compromises that we need to make in life. So many babies are born every single day and each person has an individual story to tell. We need to make pregnancy, childbirth and parenthood visible. We need to think about how we support people and how Government can take a leading role in making sure that the rights of women and families are respected and taken forward by all employers across this country. Those who do not adhere to such laws should be cracked down on.
That invisibility influences the public’s perception of what pregnant women are capable of. I assume that that has an impact on employers. If employers do not see ordinary women getting on with their lives, having breaks for their antenatal appointments and—irrespective of the pregnancy—just doing their job, that impacts on decision-making in the workplace. I would say that there is no small link between the fact that we do not see pregnant women on TV who are just getting on with their jobs and women in Sports Direct, for example, giving birth in the toilet. There is a profound link. If we do not see it, we cannot be it; if we do not see it, we cannot deal with it.

Regrettably, in the world of work, no progress has been made since my personal experience. As an actor, when a woman starts to show, she absolutely stops working—she falls off a fiscal cliff. What would normally be for most women a moment of joy and delight is replaced by panic: how on earth am I going to earn any money in my chosen profession once I start to show? I will confide in hon. Members: when I was offered the part of Sarah Ferguson in a film for ABC TV, I hid the fact I was pregnant because I knew they would fire me. I was so far down the line then that they had to accommodate my circumstances. An actor is a worker and should not be put in the position of having to lie to their employer.

As we have seen from the Women and Equalities Committee report, pregnant women and mothers report more discrimination and poor treatment at work now than they did a decade ago. The situation is even worse. Going backwards is not acceptable, so it is high time we looked at the positive proposals in front of us seriously, and acted with urgency, because more women today are being made redundant or feeling forced to leave their jobs than in 2005. More than three quarters of women surveyed in recent research have experienced a negative or potentially discriminatory experience as a result of their pregnancy or maternity.

The report gives us further reason for concern, including the fact that mothers who left their employer as a result of risks not being resolved were more likely than average to be on an agency, casual or zero-hours contract—9% compared with 4% on a permanent contract. The casual employee is more vulnerable to such discrimination. Some 50% of those on agency, casual or zero-hours contracts reported a risk or impact to their health and welfare when pregnant. It is really important we make progress, as agency and casual work is not going away—it is on the rise. Citizens Advice tells us there has been a 58% increase in the past decade in the number of people in temporary jobs because they are unable to find permanent work. That is an important rise and it is incredibly important that women in those jobs are treated fairly and equally.

There are some common-sense options on the table. I hope to hear the Minister’s views on extending the right to paid time off for antenatal appointments to those in casual work, after a short qualifying period, which would allow women to access the medical care they need without losing out financially, and on whether the Government will commit to taking steps to offer greater parity of rights between casual workers and employees. As casual work becomes more common, our rights at work should not disappear.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Mr Chope. I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for securing this important debate and thank all hon. Members for their excellent speeches.

Maternity discrimination is an extremely complex issue: it is not just about having a job to go back to after having a baby. I would like to speak briefly about my own experience. People who know me will be aware that I have two children, so I have some experience. During one of my pregnancies, at around seven months I experienced anaemia and the GP said I could not work full days at that point. I gave that advice to my manager, but unfortunately she said, “Oh, well—you are going to have to take hours off your annual leave at the end of the day, or you are going to have to go off on your maternity leave early.” People who have been through the process of having a baby while at work will know that going off early or using annual leave means that that leave cannot be used at the other end of the maternity period, with the baby. It is disadvantage straightaway. Given that my manager was a woman, I had expected a bit more empathy, and given that I worked in the NHS, I had expected that the GP’s advice would be taken on board. I was quite appalled by the situation and how it was handled.

I do not think that taking annual leave or starting maternity leave at an earlier stage is a “reasonable adjustment”, when other things could be done—my job description, for instance, meant that I could do research at home, or, as I worked as a union rep a day a week, I could have used some of the hours to do union work. So there was absolutely no necessity for me to do either of those things. Unfortunately, given the uncompromising nature of the management system that I was in, I went off on maternity leave early—I felt forced to do that—and so lost time with my baby at the other end. It would be helpful to clarify, for both women and employers, the term “reasonable adjustments”. All too often, I feel that employers use it as a way of engaging in surreptitious discrimination and getting round their obligations.

The next issue I experienced was when I was off on maternity leave. There were job and training opportunities afforded to colleagues that I was never informed about. As many employees do, I had “keeping in touch” days—it is certainly something that the NHS advocates—so there was no reason why I should not have been able to come in and take up training opportunities alongside colleagues, using those days—but I was absolutely never contacted about the opportunities.

The rationale given by the manager when I challenged that on my return was that, because we had had a conversation during my pregnancy about my wanting to spend quality time with my baby, she did not think I would want to do any of those things. I felt that was a decision I should have been able to make. Someone should not just assume, because a woman has had a baby, that they know best and do not need to contact her and give her any opportunity to inform with her own views. Again, I found that extremely unacceptable.

Will the Minister give some clarification on the three-month period? Obviously, when someone is off on maternity leave—they might be off for a whole year—some
of those things can happen when they are off. Does the three-month period when a woman is able to raise a concern with the tribunal occur from when the incident that she might not have known about happened or from when she becomes aware of it? That is really important. A lot of things could happen, and until a woman returns and speaks with colleagues or finds out that people have moved to other jobs, she can have no knowledge of what opportunities there were.

Tulip Siddiq: What does the hon. Lady think about access to justice? Will the Minister consider abolishing some of the up-front fees, which are so high that many women who are pregnant or have just had children are put off bringing forward discrimination cases?

Dr Cameron: I thank the hon. Lady for those words. That is an extremely important issue, and I will come to it. I was lucky: because I was a union rep, I had my union’s support and I could afford the tribunal fees. Although my case never went to a tribunal, I have absolutely no doubt that if I had not gone down that road and had not had that support, the issue would have been swept under the carpet and not dealt with.

I have real concerns that women without such support—perhaps they are in workplaces that are not unionised—do not have adequate representation and cannot afford tribunal fees, given that a baby is expensive enough. Women are not going to prioritise tribunal fees over their baby or their family’s needs.

I had been working as a consultant in the NHS for many years, so I was not in a junior position, but when I came back to work a male colleague was given management responsibility for a new member of staff who had joined the department. They were originally to work under both of us—50% with each manager—but the management opportunity was taken away from me, although I had been a consultant for far longer than my colleague.

I did not know about the decision until the new member of staff arrived and said, “You’re not my manager. The other individual is my manager. Did no one tell you about it?” I said, “No one told me about it. I didn’t even know you were arriving today.” When women go back to work and are juggling everything, people often do not give them any choice or any information. They are not even given the courtesy of being updated about what was happening.

I felt that my managerial duties were being removed. When I challenged that decision, I was told that the rationale was that I was part-time, and that it had been decided during my maternity leave that I might not be able to deal with the managerial responsibilities. Once again, because I had come back from maternity leave and was trying to manage my family time and my job—the number of hours had been agreed—my role was demeaned, which meant that I was subservient to my male colleague. That is certainly what I felt. I was aggrieved about not being consulted about a decision that affected my job.

Shortly after I returned to work, it became apparent that very little of my patient workload had been undertaken in the year I had been off. That really concerned me, given that I had a number of patients in a forensic setting who required updated risk assessments annually. No one raised that issue with me on my return, but approximately 70% of the patients whose risk assessments I had been involved in doing prior to going on maternity leave had not had any updates during that time. I had to contact my professional body and take advice about clinical risk, and then I had to raise that issue with management. That is difficult, particularly for individuals who work in the NHS, because whistleblowing is not easy. People do not want to find themselves in that situation, particularly if they have come back from maternity leave. However, we have to take our professional and clinical duties extremely seriously, and that is the situation I found myself in.

I raise these issues not for sympathy or because I want people to say, “That’s terrible. It shouldn’t have happened to you,” but because I feel that my story is only one among the thousands that happen in this country every year. The impact and extent of maternity discrimination is not always obvious. It is not always about having a job to return to; it is about all the issues surrounding that. We have to address those issues. The NHS has quite robust policies in place, but lots of organisations do not, so other women find themselves in much more difficult situations.

I had support from my union, Unite, which I would like to thank. I applied to the tribunal and paid the fee, but many women cannot afford that and do not have support. That issue has to be addressed. In the Scottish Parliament, the plan is to scrap tribunal fees. The Minister should look at doing the same, or at least ensuring that the fees are based on the ability to pay or are smaller. Tribunal fees put so many people off. Given the stages I went through with my grievance, I have no doubt that, had I not had the potential to go to a tribunal at the end of the process, my concerns and the issues I raised would have been disregarded. A “reasonable adjustment” would have been made or an explanation would have been given, and they would not have been taken seriously.

Women should not be discriminated against for something that is so natural—having a family—particularly when they are pregnant or have just had a baby, because that is when they are most vulnerable. It is our duty to take these issues forward and give women as much protection as we can. There are already statutory obligations, but they need to be strengthened because there are far too many ways around them.

Women do not experience equality in the workplace and are unlikely to unless we take action and make employers’ obligations very clear. I would like the protections to be extended and clarified; it should be made obvious to employers that they apply during the period of pregnancy and the maternity leave period, and also for a period on return, because those are all periods in which women are vulnerable.

We need to make it explicit that women have the right to training opportunities, job opportunities and management opportunities. They must not come back to a workload that has not been done while they were off. The advice of their GP or medical practitioner should be taken on board. At the very least, those things should be happening. This is a huge problem for many, so let us acknowledge it and ensure that the Government work across the United Kingdom for women and equality.
The fact is that women face significant barriers. The introduction of tribunal fees can undeniably be seen to have had a negative impact on women who are pregnant or experiencing that discrimination, which places an additional barrier in an already stressful part of life. The Government have failed to provide an adequate response to that negative impact.

As we have heard, the Scottish Government have committed to scrapping tribunal fees when they have the extra powers to do so. I would ask this Government to consider some sort of remedy to achieve the same for women throughout the UK. The time limit of three months is often insufficient, as we have heard, and at the very least I hope that the Government will consider extending that to six months, to give women the appropriate time to find recourse for any actions. It is a stressful enough time for many women and their families who are experiencing discrimination in the workplace.

Many women want to return to work; they simply want to enjoy their family life first and foremost. Let us do more to support those women. We have the powers to do so, and I hope that this House and this Parliament will do so.
The consequences of maternity discrimination are severe. Eleven per cent. of mothers, or 54,000 women, lose their jobs as a result of such discrimination each year. That includes 9% of women who were treated so badly that they felt they had no choice but to leave. The Government’s failure to tackle the issue or take seriously any of the suggestions set out by the Women and Equalities Committee, and their presiding over a working landscape where maternity discrimination is getting considerably worse, are shameful. Not only are they failing women and their families, but it makes no economic sense to lose 11% of the workforce each year.

My hon. Friend the Member for Washington and Sunderland West also mentioned the 2016 BIS and Equality and Human Rights Commission report. It estimated the financial cost to employers of women being forced to leave their jobs as a result of pregnancy and maternity-related discrimination at about £278.8 million over the course of only one year, the cost to the state being between £14 million and £16.7 million.

Tulip Siddiq: I thank my hon. Friend for her passionate speech and would like to take this opportunity to thank her for all the work that she, too, has done in this field.

Last night when I put this debate on the Facebook page of the local mothers’ group of which I am a member, one of the women, Anat, wrote back about how statutory maternity pay is lost if someone changes jobs while pregnant. She works in the technology industry, where it is normal to change jobs every two to three years, so she has a choice between dropping out of her industry, which would be a huge loss for women in the tech industry, and avoiding career progression, if she goes down that route. Does my hon. Friend agree that we need to look at how statutory maternity pay can be kept for women in certain jobs in which they have to switch employer every few years? One policy cannot fit all.

Sarah Champion: I completely agree with my hon. Friend. I am interested that she used the word “choice”, because we are not giving women any choice. We are not reflecting the current employment situation or representing the needs of women. The Minister is passionate about the issue, and I hope that she is taking everything on board.

That brings me beautifully on to the next part of my speech. I am concerned about how we as a society regard women, women’s work and women’s place in that society. Maternity discrimination is another structural block that prevents women from reaching their economic potential. Eighty-six per cent. of the Government gains in the most recent Budget impacted negatively on women, yet they still refuse to gender-audit their policies, so we have to question their commitment to tackling the growing inequality. In addition, the use of insecure contracts has ballooned over the last 10 years, with more than 900,000 workers in the UK on a zero-hours contract, 55% of them women.

I commend the work of the right hon. Member for Basingstoke (Mrs Miller) as Chair of the Women and Equalities Committee, which pointed to the inherent problems for casual, agency and zero-hours workers, whose rights for women are less assured than for women who are considered to be employees. For example, a woman might be forced to choose between working and earning, and attending an antenatal appointment that is vital to the health of both mother and baby. The Committee recommended that expectant mothers who are casual, agency or zero-hours workers should be entitled to paid time off for antenatal appointments. It recommended that the Government review the pregnancy and maternity-related rights available to workers, and legislate to give greater parity between them and those women considered employees.

The Government announced in their Budget plans a review of the rights of self-employed workers. Will the Government extend that to include the rights of women on insecure contracts, casual and agency staff and zero-hours workers? Does the Minister agree that it is unacceptable for women on such contracts, already likely to be earning less, to be burdened with the choice between earning and looking after their health and that of their unborn child?

Another theme reported on by the BIS and EHRC research, the Women and Equalities Committee, and women’s rights groups such as Maternity Action is the link between pregnancy and poor health and safety. Women reported being forced to lift heavy objects and stand on their feet for hours, being unable to take toilet breaks, and so on. Unsurprisingly, there is a clear link between insecure work and women being forced to leave their employer as a result of health and safety risks not being resolved. The Government must do more now, not only to help employers to understand how to identify and mitigate risks relating to pregnant women, but to compel employers to conduct risk assessments for new, expectant or breastfeeding mothers. Will the Minister tell us why the Government did not accept that recommendation from the Women and Equalities Committee? After all, an employer would undertake a specific risk assessment for an employee who had returned to work with a medical issue that meant their role needed to be adapted, so why should it not do so for a pregnant woman or a new mother who is breastfeeding?

The introduction of employment tribunal fees is a real burden of shame for this Government, who have priced women out of upholding their rights in the workplace. According to TUC analysis, the number of working people challenging discrimination or unfair treatment at work has fallen by 9,000 a month since charges of up to £1,200 came in. Since the introduction of fees, the number of sex discrimination complaints that include a tribunal claim has dropped by 76%, and pregnancy-related cases have fallen by 50%. Only 1% of maternity discrimination cases end up in an employment tribunal. That is a disgrace, and the Government know
it, yet the only promise they have made is that they will tinker with the "help with fees" scheme to extend the support available to people on lower incomes. Can the Minister say that linking justice to the ability to pay flouts fundamental democratic principles?

Furthermore, people with £3,000 of savings remain at a disadvantage, as the Government say that they can "rein in" spending on non-essential items to meet the £1,200 cost of bringing a claim. The Government clearly have not considered the circumstances of women who anticipate a major drop in their income due to childbirth and have prudently saved for essential day-to-day living costs or obvious essential items for their new baby, such as a buggy, clothing, a car seat or a cot. Those are not luxury items. Fees should be scrapped. If the Government will not do so, will the Minister discount savings for the purpose of claims alleging maternity or pregnancy-related discrimination? Will she also take seriously Members' recommendations about extending the three-month term for maternity discrimination cases to six months?

I will deal briefly with the Government's consultation on protections against redundancy for working mothers, which was announced in January. No details of the consultation, such as its scope or timeframe, have been published, but we already know that its reach is too small. The consultation will look only at redundancies as a result of maternity discrimination, which impact approximately 5,000 women each year. It will do nothing for the almost 50,000 women each year who are dismissed or forced to resign from their jobs because of having a baby. Why are the Government not looking to review the rights afforded to women with worker status compared with those who are employees? Why are the Government refusing to address health and safety issues? Why are the Government continuing to ignore the devastating impact of employment tribunal fees?

There are related issues that we could progress if only the Government gave this matter the priority it deserves—issues such as discrimination and lack of support for women who miscarry or those experiencing menopause. The Government urgently need to treat such discrimination. Women in the workplace and those who have been forced out cannot afford for the Government to continue to close their eyes to these issues.

Finally, in the context of Brexit, will the Minister give clear assurances about how the Government will ensure that we do not roll back maternity and pregnancy rights? The EU has been the source of much of the UK's legal protection for pregnant women and new mothers. We will not stand by and allow this Government to undermine those rights. We will not allow this Government to accept the flawed status quo. Women and their families deserve so much more. I know that the Minister is committed to this area, so I really hope that she listens to some of the recommendations made today and acts.

10.44 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Mr Chop. I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson) on securing this debate in such a timely manner—as she pointed out, we are between International Women's Day and mothering Sunday, which is apt.

I thank all Members for their excellent and thought-provoking contributions. We heard from my right hon. Friend the Member for Basingstoke (Mrs Miller), the hon. Member for Glasgow Central (Alison Thewliss) and the hon. Member for Batley and Spen (Tracy Brabin), whom I heard speak for the first time and who gave an excellent speech. We also heard from the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron)—I hope I pronounced that right—the hon. Member for Lanark and Hamilton East (Angela Crawley) and the shadow Minister, the hon. Member for Rotherham (Sarah Champion), who reminded us all of the unacceptable extent of pregnancy discrimination, which was unearthed by the EHRC's good work.

This is the first time we have considered maternity discrimination since the Government responded to the Women and Equalities Committee's recommendations, and I very much welcome the opportunity to discuss what we are doing. I have made careful note of some of the things that were raised that point to the need for further action.

I shall begin by making it clear that pregnancy and maternity-related discrimination has absolutely no place in today's workplace or a progressive society. It is illegal, and the Government are committed to tackling it. Women make up 47% of the labour force, and more than 15 million women are active in the labour force at any time. Female talent and experience make a huge contribution to the productivity of individual businesses and the economy generally. I have spent more of my career in business than in politics, and I add that mothers bring a huge amount of experience from their responsibilities in that role. I very much agree with hon. Members who made the important point that pregnancy is not visible enough. There was a time when women almost had to hide the fact that they had children to progress in their careers. We have moved on from those days, but not enough.

In her excellent speech, the hon. Member for Washington and Sunderland West talked about the effect of pregnancy discrimination on the wider economy in lost tax revenues and increased benefit costs, to say nothing of the personal financial loss to the women concerned and their families. We are committed to building an economy that is fair for everyone, and supporting all women, including mothers, so that they can participate in the labour market to their full potential if they choose to do so is an important part of that work.

I am grateful to the Women and Equalities Committee for its thorough review of this issue, and I echo the many complimentary remarks that hon. Members made about the excellent chairing of that Committee by my right hon. Friend the Member for Basingstoke. We responded to each of the recommendations in the Committee's report, setting out additional steps to protect pregnant women and new mothers, but as I said, I accept from what I have heard this morning that we still have more to do.

We have committed to review redundancy protection. Our thinking is at an early stage, but it is clear that new and expectant mothers need to be supported and treated fairly by their employers, and that does not always happen. The hon. Member for Washington and Sunderland West asked me to update the House on where we are with the review. It would be bit premature for me to do so, but I will be able to shortly. I will write to her when I am in a position to update her properly.
The findings of the research into pregnancy and maternity-related discrimination and disadvantage that was commissioned jointly by my Department and the EHRC paint a picture of some workplaces that is quite at odds with expectations in today’s society. We have a legal framework that gives pregnant women and new mothers rights and protections, and women have a means of legal redress if they are discriminated against because they are pregnant or take time away from work to care for their baby.

We have heard from several Members about the practical challenge for new mothers of bringing cases to tribunal, where that is necessary, within the statutory three-month limit. As we set out in our response to the Committee, tribunals have discretion to allow claims after more than three months have elapsed, where that is just and equitable, but I accept that that is in the gift of the tribunal and is not the same as people having the right to a longer period. We will consider what further guidance could better clarify the position.

**Dr Cameron:** Will the Minister give way?

**Margot James:** I will give way just once, because I am mindful that there were a lot of questions and I do not have much time.

**Dr Cameron:** There is another issue I wanted to raise. When I originally contacted ACAS regarding the situation I found myself in, rather than informing me that there was a critical three-month window in which to apply for a tribunal, I was told to go through a grievance procedure in the NHS, which takes much longer than three months. Does the Minister agree that it is important that women are given advice as to the timing of the tribunal and the need for an application to be in place before using the grievance procedure?

**Margot James:** I thank the hon. Lady for her intervention. I hope the situation has improved since she used the service but, in case it has not, I will write to the chairman of ACAS to convey her concerns.

The hon. Lady also asked about the time limit and how it is interpreted. The three-month time limit applies from the date the discrimination happened but, when there is a series of events, the time limit runs from the end of that series. There are flexibilities, and time limits can be extended where it is equitable to do so, such as if it is not reasonable to expect a woman on maternity leave to have been aware of events while she was away.

We are keen to help mothers return to jobs that make full use of their qualifications and experience, and to enable them to progress. Part of that is about removing specific barriers. We know that from the EHRC research, and we have brought in the working forward campaign, which intends to improve advice and share best practice, calling on employers to make workplaces the best they can be for pregnant women and new mothers. We have some way to go on that.

However, more than 100 employers, representing 1.2 million employees across the UK, have signed up to the initiative, which is an important milestone. Many of the employers pledging action such as Barclays, Nationwide, Royal Mail and Ford are putting in place returners programmes and means of staying in touch with pregnant women and new mothers on maternity leave, which is another point that was made. I am pleased to say that the Department for Business, Energy and Industrial Strategy has joined the campaign and I hope that more employers will be inspired to sign up.

I said I would return to the ways in which we are helping to address the barriers. Couples can take advantage of shared parental leave and pay, and the extension of the right to request flexible working to all employees with 26 weeks’ service can help mothers among others to combine work with caring responsibilities. I accept that people sometimes feel inhibited about requesting flexible working arrangements, but as that becomes more commonplace and as we put more behind campaigns to raise awareness of how easy it can be and how it can improve productivity and make companies more competitive, I hope that people will feel less inhibited and the situation will improve.

We are now introducing the entitlement to 30 hours’ free childcare for working parents of three and four-year-olds as well as tax-free childcare, enabling more children than ever to benefit from Government-funded childcare. To help monitor progress, we require large organisations to publish their gender pay gap and bonus pay gap data.

We are committed to supporting mothers and fathers to balance work with family life in a way that works for them and their circumstances. I echo the remarks made by the shadow Minister that it is disappointing that the only man who has participated in the debate—from a sedentary position—is indeed the Chairman. We need to get male colleagues involved in these debates and discussions, because mothers’ issues are not just the preserve of mothers.

Several hon. Members raised the issues for self-employed women. In fact, the hon. Member for Hampstead and Kilburn (Tulip Siddiq) talked about her position as an MP, which brought that home to me. Of course, she is not alone. The reason she found herself in that unacceptable position when she was pregnant last year was because MPs are not employees. We are workers, and in this area we have fewer rights than we would if we were employees.

That brings me to Matthew Taylor’s review—several hon. Members asked for an update. The review is fully under way and one of the issues on its agenda is to consider the different employment rights afforded to workers and employees. That very much includes rights to maternity benefits—and indeed maternity benefits. The review is consulting around the country. There will be a series of town hall meetings—I will attend one in Glasgow next month—and he will report back to the Government in July.

There are many factors to consider when it comes to enhancing rights funded by the public purse. Having carefully considered the issue, we have concluded that it is right to look at the case for having greater parity in parental benefits between the employed and self-employed. The Chancellor announced last week that we will consult on that specifically, independently of the Matthew Taylor review, during the summer.

A number of other questions were asked, and I am sorry if I cannot do justice to all of them in the time remaining. At the beginning of the debate, we heard a recommendation for employers to be required to undertake an individual health and safety risk assessment for pregnant women. Employers must already safeguard

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the health of women who are pregnant, so I was disturbed to hear about instances where that was patently not the case. Legally, employers should safeguard the health of women who are pregnant. The Health and Safety Executive has at least updated and strengthened its guidance in that respect. We dealt with the redundancy matter, at least as it stands at the moment.

The hon. Member for Glasgow Central talked about incentivising employers to take on part-time workers and consider flexible working. That is an extremely important issue, which I have dealt with, as I have dealt with existing flexibilities for maternity. I will turn to the issue—

Mr Christopher Chope (in the Chair): Order. I hope the Minister will give the hon. Member for Washington and Sunderland West (Mrs Hodgson) time to respond.

Margot James: Yes. How long?

Mr Christopher Chope (in the Chair): It is normally a maximum of two minutes, which means she should start now.

Margot James: Right. I will end my speech. Thank you, Mr Chope. I will write to the hon. Member for Washington and Sunderland West on anything outstanding that she raised in her opening speech.

10.58 am

Mrs Hodgson: I am grateful to the Minister for leaving me time to respond. I thank all Members for coming along this morning and for their excellent contributions. I especially thank my hon. Friend the Member for Rotherham (Sarah Champion), the shadow Minister for Women and Equalities, who is leading for the Opposition in this policy area with immense energy and dedication. She is truly making her mark and has some notable successes under her belt, which is not easy for anyone in opposition. I welcome the commitments by the Minister and I look forward to receiving the letter she spoke of.

As we have heard, we have had many debates on this issue, and I think this will go down as one of the best. I hope it may be the last—at least for a while. Mark my words: we will all be following this issue closely and, if we are not happy with progress, one—or perhaps all—of us will be back here before too long, doing this all over again. As we heard in great detail from everyone present, this issue is too important to ignore. I thank everyone again for their attendance, including you, Mr Chope, and the Minister. I look forward to receiving her letter.

Question put and agreed to.

Resolved.

That this House has considered the effect of maternity discrimination.

Police Widows’ Pensions

11 am

Mrs Madeleine Moon (Bridgend) (Lab): I beg to move,

That this House has considered police widows’ pensions.

This important issue was brought to my attention by a constituent of mine, Diane, who sadly lost her husband in the line of duty when he was serving as a police officer. Years down the line, Diane met another man and fell in love. The couple decided they wanted to be together. They found that the position was that Diane had to choose between their future happiness and maintaining her eligibility for her late husband’s pension. She is not alone in her predicament; hundreds of other widows and widowers are left to make the same decision.

Fortunately, in 2014 Cathryn Hall, who is here today, started a petition entitled “Grant Police Widows Pensions for Life—Don’t Make Them Choose Between Future Happiness and Pensions”, which says it all. Cathryn has bravely shared her story so I am not breaching any confidentiality in recounting it. She became a widow at 24 years old following the death of her husband Colin, who served in the West Midlands police force for 21 years. Some years later, Cathryn was left with a difficult decision: should she maintain her eligibility for the pension, into which her late husband had contributed 11% of his salary, or move in with a new partner and lose it?

The petition gathered more than 115,000 signatures, so I am here to ask yet again why so many women such as Diane and Cathryn are forced to choose. The reason is that individuals widowed between 1980 and the early 2000s are covered by the Police Pensions Regulations 1987 and lose access to their spouse’s pension if they remarry or cohabit.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Lady on securing this important debate. I, too, have constituents who feel strongly about the matter. Does she agree that campaigners also feel that there is injustice in the lack of parity of approach across the United Kingdom?

Mrs Moon: The hon. Gentleman is moving me forward in my speech, but yes, that is a major issue. The people who serve in United Kingdom police forces expect that should they lose their lives in the line of duty, all their families will be cared for in exactly the same way. The hon. Gentleman has pointed out a major cause of injustice, which we have come here today to rectify.

There was a welcome breakthrough in 2015, when reforms were introduced. I acknowledge that. The widows, widowers and civil partners of police killed in the line of duty and covered by the 1987 regulations now receive a pension for life if they were in receipt of a special augmented pension, remained unmarried and were not living with a new partner by 1 April 2015. That is a large number of caveats: what of those not covered? The inequality comes over loud and clear.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The recommendation of the 2011 Hutton report—the report of the independent public service pensions commission—related to all armed services. Does the hon. Lady agree
that it is a matter of implementing equality across generations, in all the armed services, as the report recommended?

Mrs Moon: I can say only that the Welsh think alike no matter their political party, because that is another thing that I intend to cover in my speech.

When we ask individuals to put their lives on the line, we should expect that exactly the same care and responsibility will be shown towards all their families, should they make the ultimate sacrifice. Why, then, should a widow or widower lose the financial support from their late husband or wife when they decide to remarry or cohabit?

I should like the Minister to explain where the money is going. If the widow or widower is ineligible to receive it, who has it? What of their children? No father or mother wants their children to be impoverished; nor do they want the money that they set aside to protect their children in the event of their death, and to prepare for their future, to go somewhere else. So what are the Government doing with the money? Why are the widows, widowers and children penalised? Campaigners rightly argue that no Government should seek to profit from the withdrawal of a small and immaterial number of police widows’ pensions, and the condemning, in the process, of 22,000 widows to a life of loneliness and isolation. That is what is happening at the moment.

We are not asking for extra money. The Treasury is not being asked to find new money. The families just want what they are entitled to. I shall set out the figures. The police officers pay 11% of their wages into the pensions. Generally speaking, the widows or widowers receive 50% of the pension. In 2012 there were 22,000 widows in receipt of a police pension. Between 2008 and 2012 in England and Wales, there were a mere 131 cessations because of remarriage or cohabitation. That is a large number of people who are being forced to face a life of isolation and loneliness to maintain their financial security.

On the figures, approximately 0.5% of police widows are being unfairly denied financial support that would have been available to them from the pensions. It is hard to put an exact figure on how much individuals are losing, because that is personal and depends on the husband’s or wife’s age at death. My constituent estimates that she has lost about £135,000—a not inconsiderable sum. The numbers are small: to grant all police widows and widowers a pension for life, regardless of their status, would, according to the response to a freedom of information request, cost £50 million. As I have said, that is not new money; it is money already in the system.

I want to tell the Minister about a couple, aged 75 and 80, whom I will not name as they want to remain anonymous. One is the widow of a police officer. They are forced to live 100 miles apart because the loss of the widow’s income should they cohabit would be impossible to bear. That means that they are not there to support each other every day through the inevitable illness that old age brings. They want to spend their twilight years together without financial penalty. Why are they denied that right?

Announcing the changes in 2015, the then Home Secretary, now the Prime Minister, told the House:

“We will reform the scheme to ensure that the widows, widowers and civil partners of police officers who have died on duty do not have to choose between solitude and financial security.—[Official Report, 12 October 2015; Vol. 600, c. 18.]

However, that is happening. The average age of a police widow is 74. The petty injustice that I am describing could cost the taxpayer more: as the group gets older without the income from their deceased spouses’ pensions they are more likely to have recourse to the state. Does the Minister think that a sensible use of public money?

This injustice forces widows and widowers to choose between love and money. Many feel that the financial cost is too great, particularly when their children are affected. If they choose personal happiness, they face financial insecurity through no fault of their own. They will also be asking their new partner to take on full financial responsibility for their children, who will lose the money that their father or mother had put aside for them. I cannot understand that.

Just over two years ago, the hon. Member for Gloucester (Richard Graham) raised this issue, and he and I debated it in this Chamber. We are no further forward now; the situation has been made more baffling. I am particularly pleased to see hon. Members here from Northern Ireland and Scotland.

Jim Shannon (Strangford) (DUP): That was set up, Mr Chope; you probably realised that. I congratulate the hon. Lady on bringing the debate. It is not only the Welsh who think alike; it is the people of Northern Ireland as well.

The Royal Ulster Constabulary faced a very different kind of day-to-day work from that of colleagues on the mainland. The grief of loss is the same for families no matter where they live, and the pension rules must therefore also be the same. Does the hon. Lady agree with the widows in my constituency who feel aggrieved and demand and expect this injustice to be rectified—their pension rights to be secured? I look forward to the Minister’s response; I hope it is a good one.

Mrs Moon: Everyone expects to be treated the same. People might face different stresses and strains within the police force, but the risk, ultimately, is that every day someone will be determined to take the life of a police officer. If an officer is lost to their family, and if they have made appropriate plans to protect their family, it is right that the state honours that commitment. We pay great tribute to families when they take on these roles and responsibilities, and we should maintain that commitment.

Changes have been made in Scotland and Northern Ireland, and I commend those Administrations. In Scotland, the Government announced the same amendment to the pensions paid to the survivors of police officers and firefighters killed in the line of duty. I think those pensions have been reinstated and backdated to 1 October 2015.

Patrick Grady (Glasgow North) (SNP): I thank the hon. Lady for securing the debate. One of my constituents was affected by this issue, but the Scottish Government’s decision to reinstate the pensions has resolved that injustice for him. This is one area on which we are happy to express solidarity across the UK. Governments
across the United Kingdom should be aiming for the highest possible standards, to pay respect to our officers killed in the line of duty.

**Mrs Moon:** As I have said, police officers face the same risks every day. They deserve the same pension rights, and their families deserve the same financial protection. Comparisons have already been made between police officers’ widows and widowers and their armed forces counterparts, with Ministers often seeking to differentiate between the two as a way of justifying the cessation of pension rights for police officers. However, as has already been commented on, the 2011 Hutton Report made it clear that “there is a need to recognise the unique nature of the work the uniformed services (the armed forces, police and firefighters) undertake.”

They put themselves in harm’s way to protect us. Is it not now time for England and Wales to join the rest of the United Kingdom in ending this injustice? Will the Minister undertake to meet the campaign group? Many of them are here today and will be happy to discuss a way forward with the Minister.

I ask the Minister to end this incomprehensible, unfair and, quite honestly, blatant inequality. Let us give the families back the money they are due. All these men and women are asking for is a level playing field instead of a harsh financial penalty. For me, this boils down to a simple issue: we have to stop putting a price on love. The Government have to make sure that widows, widowers and their children have access to the pension rights that were put there to protect them in the future. By right and by legitimacy, they should have them.

11.14 am

**The Minister for Policing and the Fire Service (Brandon Lewis):** I congratulate the hon. Member for Bridgend (Mrs Moon) on securing the debate. As she rightly outlined, it is an issue that has been discussed and raised on the Floor of the House by my hon. Friend the Member for Gloucester (Richard Graham). He came to see me quite recently and made a passionate case.

I want to make it clear that I have huge sympathy—as we all should—and admiration for those who have faced the loss of a loved one through their work and as a result of their being on police duty. It is unfortunate, and as the hon. Lady rightly outlined, it is a tragic reality—thankfully rare—that some police officers pay the ultimate sacrifice when fighting crime and keeping us safe. They deserve our huge respect and thanks, so it is right that, whenever we have the opportunity to do so in this place, we are able to pay our respects to those officers and the families they leave behind, and to all police officers and staff, who run towards danger—pretty much every day in one form or another, as the hon. Lady said—in the name of public service.

The Government continue to recognise the risks faced by officers as part of their everyday job. As the hon. Lady outlined, that is why the previous Home Secretary changed police pension provisions to allow widows, widowers and surviving civil partners of police officers who die on duty in England and Wales to receive a survivor pension for life; the definition of “on duty” includes when death occurs during a journey to or from work. The changes also include circumstances in which an officer died from injuries resulting from their being targeted as a member of the police, including circumstances in which the relevant police pension authority believes that the death should be considered a result of the execution of duty.

Those changes were brought by the Police Pensions and Police (Injury Benefit) (Amendment) Regulations 2015, which came into force on 18 January last year. Those amendments were backdated to 1 April 2015, which aligned with the timing for changes made to armed forces survivors’ pensions. In keeping with the policy applied to the armed forces’ pensions, any pensions already surrendered before April 2015 were not reinstated as a result of the change; that was the same across both schemes. However, it is important to note that the regulations will continue to allow the police pension authority the discretion to reinstate adult survivor benefits if a remarriage, civil partnership, or cohabitation subsequently ends.

The hon. Lady referenced the fact that the changes would not require new money, as the money is already in the scheme. If I may correct her, it would require new money. The scheme is not structured to cover those funds; it is an employee and employer contributory scheme, but anything that tops that up or goes beyond what is already covered by the scheme will be new money funded by the taxpayer, so she is wrong.

The hon. Lady also touched on the difference between this and changes to armed forces widows’ pensions. The Government believe that there is difference, and that there are particular factors that apply to the armed forces. Not only do the families of armed forces personnel have to cope with long and uncertain separations while their spouse or civil partner has deployed on operations directly, the mobile nature of service life often prevents those partners from earning their own occupational pension. We recognise that that puts them in a difficult position when trying to provide for their own financial future.

The same combination of risk to life and disruption to family life cannot be said to apply to other public service workforces. The Government do not believe that it would be justifiable to make the same changes for all survivors of police officers. Nevertheless, we believe it is right to recognise the risks faced by police officers every day as part of their job. I believe that, when police officers, and also firefighters, die on duty, their surviving spouses and civil partners should not face a decision between a new relationship and retaining their entitlement to their survivor benefits.

I appreciate the hon. Lady’s reference to other parts of the United Kingdom. However, policing in Scotland, for example, is a devolved matter. Those other Administrations are entitled to make their own decisions, but that does not, in itself, create a precedent that will necessarily be followed in the whole of the United Kingdom.

We have made clear our commitment to ensure that public service pensions are affordable, sustainable and fair. We keep these things under review at all times. As I promised my hon. Friend the Member for Gloucester, we will continue to review all these matters. These pension schemes need to be fair and affordable for members, but also fair and affordable for the taxpayer who subsidises them through contributions.

**Richard Graham (Gloucester) (Con):** The situation at the moment, as I understand it, is that the Ministry of Defence is reviewing what the provisions are retrospectively...
for armed forces widows. Does the Minister accept that were the Ministry of Defence to make changes, it would be very hard for the Government to maintain a difference in what those widows are granted and what police widows are granted?

Brandon Lewis: My hon. Friend makes, as always, a very good point. As I have just outlined, there is no current plan for us to change the scheme beyond the changes made only last year. However, we always keep these things under review. As I said to him when we met, I will continue to keep this under review, as the Treasury does on all these matters, to ensure that we have a scheme that is not only fair for the taxpayer but ultimately, as he rightly says, fair to the families of those people who go out every day and put themselves at risk. We will continue to do that.

Question put and agreed to.

11.21 am

Sitting suspended.
The bottom line is that those premiums are rising at such a rate that they are discouraging GPs from taking on certain forms of work, including out-of-hours care, and are even discouraging some medical students from entering primary care in the first place.

It is important to understand that GPs are in a special category of medical professionals in this respect, because doctors working for NHS bodies, such as hospital trusts, are covered by the clinical negligence scheme for trusts, which is administered by the NHS Litigation Authority; there are equivalent organisations in Scotland, Northern Ireland and Wales.

This issue does not emerge from a vacuum; it has been brewing for a while. In its 2014 annual report, the Medical Defence Union published data suggesting that indemnity inflation is about 10% per annum. More recently, a survey carried out by NHS England last year as part of the GP indemnity review showed that between 2010 and 2016 there was an increase in the average indemnity payment for in-hours or scheduled care of more than 50%. What does that mean in real terms—in pounds, shillings and pence? The average payment for in-hours or scheduled care cover in 2010 was £5,200. That had risen to £7,900 by 2016—an increase of more than 50%. Ninety-five per cent. of GPs surveyed have experienced a rise in indemnity costs, and 88% pay them from their own pockets.

The inflation for out-of-hours sessions is, according to the review, likely to be higher still. It is thought to be about 20% per annum, although the position on out-of-hours care is harder to establish because of data availability. Of the several thousand GPs surveyed, 72% claimed that the rise in their indemnity costs had deterred them from taking on out-of-hours sessions. Only 21% agreed with the statement

“Indemnity has not deterred me from taking on additional sessions”.

Those are concerning figures.

The review concluded that the rise is expected to continue. We have an historical average rise of about 10% per annum for scheduled care, and the rise is likely to continue. Of course, the review did not take into account the change in the discount rate. Just to remind everyone, the discount rate is used in a calculation to determine lump-sum compensation for claimants who have suffered life-changing injuries. It is being reduced to -0.75% from 2.5%; that will take effect, I think, on 20 March. This is the first time that it has been changed to -0.75% from 2.5%; that will take effect, I think, on 20 March. This is the first time that it has been changed since 2001. It seems inevitable that that will inflate premiums further. We may have thought that we had solved the problem or that most of the problem was behind us, with the historical 10% average price increase, but the chances are that we ain’t seen nothing yet.

What is the impact on the ground? According to a practice manager at St Catherine’s surgery, a busy practice in the centre of Cheltenham, the problem is acute and having an effect on GP recruitment. When that practice wanted to appoint a new salaried GP, it was unable to attract anyone—notwithstanding the fact that Cheltenham is an extremely desirable place to practise, as I am sure everyone here would acknowledge and appreciate—without including paid indemnity as part of the salary package.

That has added £7,500 to the cost of the doctor’s employment, and the surgery has to bear that, but this is plainly an unsustainable model.

I should add for completeness that this is not just about GPs in primary care. Modern surgeries are very sophisticated in the types of practitioner they employ. They employ advanced nurse practitioners, who are even discouraging some medical students from entering primary care in the first place.

Why is all this happening? We need to slay two myths right from the start. First, it has nothing to do with GP performance dipping. Statistics show that the medical defence organisations have increased the proportion of cases closed with no payment made to the claimant from 70% to 80%. The quality and safety of care have never been higher. GPs continue to be very professional and very precise in the treatment that they administer. Secondly, the current situation is not down to profiteering by the medical defence organisations. The three main ones, which include the Medical Protection Society and the Medical Defence Union, are mutual organisations and not profit making. The 2016 review did not find evidence that market inefficiency is a cause of rising indemnity premiums.

The reason for the rises appears to be a blend of two principal factors. The first is workload. GPs are seeing more patients than ever before; I refer back to my remarks about the number of people in our country aged over 65 and 80. The second factor is compensation inflation. It is not unusual nowadays for insurers to pay a claim for more than £5 million. The review also alluded to a more litigious culture. There is a concern that patients are not simply being informed of avenues of redress, but are actually being encouraged to bring cases. It is a delicate issue, and there is a balance to be struck, but that does seem to me to be a concerning observation. That culture exists alongside an increasing number of claims companies. The number is said to be proportionally higher in England than elsewhere in Europe.

How do we respond? I have studied this issue in some detail; it is clear to me that Ministers and the Government in general are alive to it and working hard to react to it. As I said, back in May 2016 NHS England and the Department of Health established a GP indemnity review group to address the matter. That reported back in July last year and led to two important measures. The first was a winter scheme, originally scheduled to end on 31 March this year, to reimburse doctors who were willing to work more out-of-hours sessions to deal with winter pressures—I should remind Members that there is that 20% per annum rise in out-of-hours premiums. The second element was a new GP indemnity support scheme, which would run for two years.

The first of those—the winter scheme—has now been extended and will run until the end of April, which is welcome. As for the GP indemnity support scheme, it is excellent; it is direct financial support—hard cash—in the region of approximately £35 million per annum. The first payment will be in April 2017 to address inflation experienced in 2016-17, and a corresponding payment will be made in April 2018. I am grateful to the Government for those important steps, which will make a big difference.

However, we need a long-term solution, and I urge the Government that in considering the long-term options they leave nothing off the table. This does have to be handled carefully, but some options that I respectfully
suggest merit further consideration are as follows. First, on legal reform, there is an argument for specifically fixing the amounts that can be recovered in costs by legal firms in certain cases. I am a lawyer by background, and should probably declare an interest—I even practised in clinical negligence law for a while. Clinical negligence claims can be highly complex. It is important that access to justice for wronged claimants is preserved, but that should not preclude any examination of the costs issue.

Secondly, even if it would be unaffordable for the NHS LA to cover all GP costs, we should look again at whether indemnity fees for certain areas of work, such as out-of-hours or minor surgery work, could be covered centrally. That would go a considerable way to easing the burdens on GPs and improving the attractiveness of the profession. I understand that the DOH is committed to exploring the potential of national clinical negligence schemes.

Thirdly, the Government could consider altering the mechanism through which awards are made, and base them on NHS costs rather than private costs. At the moment, payouts are quantified on the basis that care will be provided in the independent sector. Ought we to look at whether the law should be changed so that medical defence organisations and the NHS LA could purchase NHS and local authority care packages for those who have suffered from medical negligence?

I would be grateful for an update on the Government's thinking on this important issue. Specifically, the review last year reported that further work would be carried out in 2016 to establish the best method for providing additional support in respect of out-of-hours care, so can we have an update on that?

I will end by saying that this may seem like a dry subject to anyone who is watching on TV or reading the report of this debate, but unless this problem is tackled in a fundamental way it risks undermining the excellent work that is otherwise being done to bolster primary care. It risks narrowing the pipeline of GPs—a pipeline we need to widen. The sums that GPs are now paying risk demoralising existing GPs and disincentivising the next generation. A long-term solution must be found.

2.43 pm

Mr Steve Baker (Wycombe) (Con): It is a pleasure to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on his excellent speech and on securing this debate, and very much concur with what he said.

Before I go any further I should say that my wife is a general practitioner, a former Royal Air Force senior medical officer who now works as a locum for the Ministry of Defence. I should also say that any errors or omissions in my remarks are entirely my own; I only spotted this debate this morning so I have not had a chance to discuss the issues with my wife. The scale of indemnity fees and the rate of price inflation in them has been an occasional—possibly frequent—topic of dinner table conversation. It is quite clear that something is going on when we see such steep rises to such high levels.

I want to pick up on a few of my hon. Friend's points. He made the point about GPs being the foundation; we cannot overstate that, particularly in the context of ever-increasing specialisation in secondary care. The point I wish to make to my hon. Friend the Minister is that it seems that, as secondary care becomes more specialist, the burden of diagnosis will increasingly fall on general practitioners. I have heard accounts, which I may relay imperfectly, of a thoracic problem, for example, being referred to secondary care; the consultant might exclude a heart problem, but then it has to be referred again to exclude a lung problem, and again for whatever it may be. My sense from listening to my wife and other GPs is that increasing specialisation in secondary care sometimes shifts the burden of diagnosis on to primary care.

It seems to me, if I may say so from the perspective of an aerospace engineer, that diagnosing people is a slightly less exact science than diagnosing machinery. That is partly because it relies on what people say about their own condition, and partly because it relies on their coming forward at the right moment in the development of their illness or condition. I wonder whether specialisation has led to a transfer of risk, which is material to premiums. I put that point to the Government; I appreciate that they might not be able to answer it today.

My other point is about the status of partnerships, which is both relevant to the future of general practice and tied into this subject. I have recently had occasion to discuss with a senior partner how it has become financially less attractive over recent years to be a senior partner. I have mixed feelings about that. One of the little discussed realities of the NHS is that general practice was never nationalised, so partnerships have always had this special status where they are private businesses tightly coupled to a state-funded and run NHS.

It seems that the problem of steeply rising indemnities is material to problems that partners face in continuing in business, often in ageing premises that they are locked into through mortgage conditions. If the Government intend for the partnership model to continue indefinitely, and if there is cross-party agreement on that, the cost of indemnity needs to be considered, along with a range of other factors in relation to that model.

My hon. Friend the Member for Cheltenham mentioned that he sees GPs as having a special status, and I think he is absolutely right on a number of levels. They are special in the sense of the GP's place in the hearts of the public; special in the sense that, as specialism increases, so does the burden of diagnosis on them; and special in terms of the status they have as businesses operating within the NHS. More than that, as clinical commissioners, general practitioners now have the great burden of determining what care will be deployed where in the NHS.

It is proper that I restate that I have an interest in this, but I observe that the support being given in relation to GP indemnities is not being extended to the MOD's locums at this stage. Armed forces personnel need healthcare too, and because of how armed forces medicine operates, the armed forces often need locums. I ask the Minister to consider the general point that the MOD might need the same support in relation to indemnity fees that general practice would enjoy everywhere else.

Finally, I do not think that this is a confrontational debate. We live in times when medicine has changed, people's attitudes to risk have changed and the role of the GP is changing. We are all united—at least on this side of the Chamber, but I hope across it—in recognising...
that the Government are seeking to rise to all those challenges, and I look forward to hearing what my hon. Friend the Minister has to say.

2.48 pm

Julie Cooper (Burnley) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I thank the hon. Member for Cheltenham (Alex Chalk) for securing this debate on this really important subject, and join him in paying tribute to GPs—including those in my constituency and across the country, many of whom I have had the pleasure of meeting recently. I pay tribute to the excellent work that they do. They are at the cutting-edge of the NHS; in many ways, they are the gatekeepers, taking tough—often the hardest—decisions. They deserve our respect and support at every corner.

It is important to begin by setting this debate in the context of the pressures that GPs face. Undoubtedly, as has been mentioned, the demand for GP services has increased massively. Much of that has been attributed to the ageing population. Many patients suffering from mental health issues find that those are not addressed elsewhere, because specialist services are not as abundant as they might be. The lack of social care provision and funding cuts for social care mean that many unsupported elderly people have to call on their GP to work above and beyond, and on far more occasions, for the vital support that they are denied elsewhere.

We rightly heard about the recruitment and retention of GPs and support staff in practices. That issue is particularly important, because anything that is damaging or makes the situation worse is cause for concern. Recently, the Capita chaos relating to patient records and the national performance list did not help, placing more pressure on our GPs. The criticism relating to this winter’s A&E crisis, including the implication that GPs should somehow be doing more to lift the pressure, did not help either.

The hon. Member for Cheltenham rightly referred to the extra responsibility that GPs have taken on with commissioning. That important role has put extra demand on them. I agree totally with his very good point about the pressures that are coming back upstream because of increasing specialisms in hospitals. I met GPs and some of their staff recently and was concerned to hear them say, “Of all the health professionals, we feel that nobody speaks up for us,” so I welcome this debate. It is right and proper that we in this House recognise and put on record the value of GPs.

We ought to set this debate in the context of the pressures that GPs face. Undoubtedly, as has been mentioned, the demand for GP services has increased massively. Much of that has been attributed to the ageing population. Many patients suffering from mental health issues find that those are not addressed elsewhere, because specialist services are not as abundant as they might be. The lack of social care provision and funding cuts for social care mean that many unsupported elderly people have to call on their GP to work above and beyond, and on far more occasions, for the vital support that they are denied elsewhere.

The rising cost of professional indemnity is an added burden, and frankly, doctors do not need anything else to deal with, nor do other medical specialists within GP surgeries. As has been outlined, 95% of doctors report phenomenal increases in indemnity costs. I will not repeat the figures, but the rises have been unacceptably high. I underline that the increases in costs are in no way due to a deterioration of professional standards—absolutely the reverse is true. Standards are at least as high as they have ever been, and in most cases, they are higher. The current situation is, in fact, due to the sheer volume of work done by general practice. When that grows to such an extent, the amount of complaints against the service are bound to go up too.

We live in a different society and a different, increasingly litigious world. People are encouraged to take action for sometimes minor issues, hence the need for doctors to have professional indemnity covering them up to about £20 million, which I think is the figure that people widely acknowledge they need to be covered for. That is why there has been the massive increase in the premiums.

This is an English problem. Although proper analysis has not been done on GP practices elsewhere in the UK, evidence shows that it is less expensive to practise over the border in Scotland and in Wales, where I understand the new contract provides for the out-of-hours work that GPs do, as well as support for the costs of their regular work.

The impact is serious, and the fact that no long-term solution has been found for the problem is having an effect. The Royal College of General Practitioners reported that 80% of GPs say that the time that they are prepared to devote to general practice is affected, whereas 56% said that it would be more likely to deter them from doing out-of-hours work. If the problem is unaddressed, it will undoubtedly affect the long-term recruitment and retention of dedicated people in general practice.

I think we all agree that action is needed. The review group set up in May 2016 introduced short-term interventions, which were really welcome, as has been mentioned. Those will help this year and next towards the costs. The extension of the winter indemnity scheme is also welcome. I understand that the continuation of that led to 500 GPs committing to out-of-hours care, above and beyond the existing number. That surely indicates what the effect of supporting GPs in that way will be.

What action is needed? The Government must begin by demonstrating that they value GPs and recognise the considerable pressure under which most GPs and their staff work. I am sure that hon. Members on both sides of the Chamber agree about that—or would we find many dissenters among hon. Members who cannot be found here? I have no doubt that hon. Members on both sides of the Chamber agree about that—nor would we find many dissenters among hon. Members who cannot be found here.

I was concerned to hear the royal college express dissatisfaction that up to Christmas, only £2.4 million of the £16 million designated for resilience for GP practices had been committed. We must do better on that. As a matter of urgency, the Government need to carry out a comprehensive review to find a long-term solution. The hon. Member for Cheltenham made sensible suggestions on legal reform. Perhaps a centralised payment solution has been found for the problem is having an effect. The Royal College of General Practitioners reported that 80% of GPs say that the time that they are prepared to devote to general practice is affected, whereas 56% said that it would be more likely to deter them from doing out-of-hours work. If the problem is unaddressed, it will undoubtedly affect the long-term recruitment and retention of dedicated people in general practice.

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The previous Minister, the right hon. Member for North East Bedfordshire (Alistair Burt), said in March 2016 that the Department of Health would begin to consult GPs, patients, lawyers, medical defence organisations and commercial insurance to look for a long-term solution. That was a year ago, so I look forward to the Minister telling us what progress has been made. Although Chaand Nagpaul, the chair of the British Medical Association GP committee, welcomed the short-term help, he went on to say:

“There is a need for a definitive solution to rocketing indemnity costs”.

Will the Minister tell us what progress has been made? What action has he taken in all those areas to ensure
that GPs feel fully valued, and to show that we feel for them when it comes to this extra burden and have taken action to deal with it?

2.58 pm

The Parliamentary Under-Secretary of State for Health (David Mowat): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on bringing this really important subject to Westminster Hall this afternoon. The NHS spends between £1.5 billion and £2 billion a year on legal and indemnity costs. If we could find a way to spend that massive slug of money better, that would be better for patients and our constituents, and all that goes with that.

I will start where my hon. Friend started in his really lucid speech. We need to emphasise how much we value GPs, as all Members did who have spoken today. In a speech that I gave recently to GPs, I used a sentence from the foreword by Simon Stevens to the “General Practice Forward View”, and I will use it again now:

“There is no more important job” in the country

“than that of the family doctor.”

I think that is very good—everybody is nodding, so I think we all agree. There is no harm in our reminding any family doctor who may be listening to this debate of the esteem in which they are held.

My hon. Friend the Member for Cheltenham made some interesting points about the potential for legal reform. We are consulting on that and I will say a bit more about what we are doing. I will give the House one statistic that stuck in my mind as I was preparing for this debate: for legal cases with awards of £10,000 or less, the average costs are three to four times higher than the actual amount paid to the patient. That is indicative of a broken system that we need to fix. He made a point about using the central scheme, which applies to hospital doctors, for GPs. That is an option, but as he also said, the three insurance organisations are non-profit-making, so it is not absolutely clear how it would help.

Another thing I was surprised about was an interesting point that my hon. Friend and, I think, the hon. Member for Burnley (Julie Cooper) made about the way in which costs are estimated for difficult and complex cases. We would all concede that it is right that we properly recompense people who have been damaged through negligence and so on, but one of the things that is based on is private health insurance rates, not the NHS doing the work. I have discovered the reason for that: it is what was set out in the National Health Service Act 1948, which set up the NHS. We are looking at options around that, but the history of how that evolved and why it became the case is interesting.

Mr Baker: I am grateful for the opportunity to respond to an interesting book, “Working-Class Patients and the Medical Establishment”, by David G. Green, who now runs Civitas. It tells that history, and there are many similar examples where we might look at how we can reconnect the whole system with the patient.

David Mowat: I thank my hon. Friend for the interest he has taken in his book and the interest he has shown in this debate. He mentioned a great many of the things that we have been discussing, and I am grateful to him for that.

Mr Baker: I thank my hon. Friend for his interest in that intervention and for the interesting comments he made. He talked about the transfer of risk due to specialisation, which is an interesting concept. I will push back a little on that, however. Of the £50 billion of reserve that the NHS needs to hold for legal cases and compensation payments into the future, the vast majority is around maternity, because the money tends to be focused on babies who are injured and have to be supported throughout their life. I am not absolutely sure he is right about that concept.

My hon. Friend made a point about the status of partners in GP practices. Partners have unlimited liability unless they have indemnity, which potentially makes it less attractive to be a partner than a salaried GP. We are looking at that trend. There is a double edge to that, and I will not go into other aspects of how GP practices are structured, but increasingly—I do not know whether this applies to my hon. Friend’s wife—we are finding that things are working better with GP practices being put into hubs of 35,000 to 40,000 people. They are able to employ pharmacists and physios and do more things at scale than they could as a single GP practice or as a practice of two or three GPs, which has historically been the norm.

We are migrating over time from a position where we have 7,500 GP practices to one with something more like 1,500 super-hubs, but it is true to say that the contract position has not caught up with that, and it is a long road. Tomorrow, I am going to visit a hub in Dudley. Super-practices are emerging, which have tens and possibly hundreds of GPs who can provide services across much wider areas. That is a different model, and there is some evidence that such hubs can provide more career structure for GPs and the opportunity to specialise in a way that they have not been able to in the past.

Mr Baker: I must admit that I missed the Government’s plans to move to super-hubs. It sounds quite suitable for Wycombe. Without wishing to make this debate about my wife, she is with the Ministry of Defence. At the moment, the MOD is providing healthcare to units or stations, or whatever bases they may be. How would the super-hub proposal work with the armed forces?

David Mowat: I had forgotten to talk about MOD locums. My hon. Friend raised that issue, and I do not know the answer, but I will write to him and give him the information he needs, and he can talk to his wife about that. I was surprised by that example. I am sure that between the various parts of the Government, we can get an answer.

In the hour available to me, I will discuss in more detail the environment in which the NHS finds itself, the impact and the Government actions we are taking, but I will start with this: we all want access to justice. That is a fundamental of our country, and we should do or say nothing that causes people who have been badly treated to lose out. Lawyers have to be part of how they get access to justice, and that is right, but we also need to protect the viability of our NHS.

We are spending towards £2 billion a year in this area. That is £2 billion a year that we are not spending on nurses, doctors and the improvements we would all like to see. We often have debates about the level of NHS spend compared with other countries in Europe and...
different parts of the world, but one area in which we can say we are a leader in Europe is the amount of money we spend on litigation and all that goes with that. That is not because our NHS is less safe than other systems; it is to do with some of the points that were made earlier about the litigation culture that has built up. To an extent, that has been encouraged to build up because of our treatment of costs and some of those things. That spend of £1.5 billion to £2 billion has been increasing by something like 20% a year in the past three or four years. We cannot afford to continue to spend money in that way.

GPs are not the most expensive part of the system, but as my hon. Friend the Member for Cheltenham said, GPs typically have to spend £7,900 out of their own pocket on indemnity. That figure is increasing by 10% a year. Indemnity costs for GPs who do out-of-hours work are increasing by 20% a year, which has knock-on effects for the attractiveness of that work. As we discussed earlier, it also impacts on people in other ways, such as propensity not to become partners in GP practices.

What has made the acceleration in legal costs evident is not so much the major claims that everyone would agree need to be sorted out and dealt with—for example, babies who are damaged at birth and need to be looked after for their entire life—but the significant increase in the number of minor claims, which tend to have a higher proportion of associated legal costs. As I said, claims of around £10,000 would typically have legal costs in excess of three times the amount that the patient would receive. My hon. Friend the Member for Cheltenham said that many claims are successfully defended, and the fact is that 99% of all claims are settled out of court. There can be a tendency to settle minor claims for relatively small amounts—claims under £100,000—just because of the volume that are coming in and because it is cheaper to settle than fight to the end. All of that takes money out of our NHS.

We have talked a little bit about why this is happening. The life expectancy of people with complex needs is increasing, so if someone is damaged at birth, typically the awards they need go on for much longer than in the past. That is a good thing in terms of life expectancy, but it drives cost. There is a view that the best-quality care becomes more expensive. Technology is a part of that. We also have an environment in which, for whatever reason, there has been an explosion in small claims against the NHS, which particularly affects GPs, and there is a legal environment in which even unsuccessful claims or claims without merit can sometimes be rewarded. All of that is made worse, as we have heard, by the change to the discount rate made by the Lord Chancellor, which will come into effect next week on 20 March.

The time value of money essentially was 2.5% and is now going to be -0.75%. That will have a significant impact on all insurers in the private and public sectors. It particularly affects the health sector. The £59 billion reserve that the NHS has for central litigation costs will increase because of the change that has been made by something in excess of £5 billion or £6 billion. Those are significant and serious sums of money in the public purse. The Government’s position is that doctors will not have to pay as a consequence of the technical change in discount rate. We are working through how that will work in the central litigation authority and the three insurance companies that my hon. Friend the Member for Cheltenham mentioned. Nevertheless, the cost is significant in the context of all the other pressures on the health system.

A couple of Members talked about the fact that the issue affects not only doctors in primary care but pharmacists. Increasingly, clinical or prescribing pharmacists are working in primary care and they need indemnity, as do nurse practitioners. We need to remember that that is all part of the picture.

Julie Cooper: On that point, is the Minister prepared to acknowledge that professional indemnity is a significant burden for community pharmacists? That is something he might want to consider before going ahead with his funding cuts.

David Mowat: I will not be dragged into the issue of community pharmacists other than to say they are extremely valued and have a major part to play as we integrate them with the clinical pharmacists working in GP practices. I will simply say, since the hon. Lady has raised it, the Government are committed to getting community pharmacists to move into a much more service-oriented way of working. We will not do that by overpaying for prescribing or by acknowledging or encouraging clustering, which is what the reforms we have talked about will address.

So what are the Government doing? First and foremost, we need to continue the drive to improve standards and quality in the NHS. I made the point earlier that accidents happen and negligence takes place. When it happens, we need to learn from it and ensure that there is a duty of candour within the service. Doctors and nurses need to do what they can to make sure that the systems failure or breakdown that occurred does not happen again. To use a rather trite management consultancy-type phrase, the NHS needs to become a learning culture. It is true, however, that people need to learn from errors and continually try to improve standards. We need to avoid errors as much as possible, but at the same time we cannot have the medical profession being overly defensive, because that is not the right answer either.

My hon. Friend the Member for Cheltenham discussed what we have done so far in the “General Practice Forward View” to protect GPs from the rising costs of indemnity. Some £30 million a year is being paid out for the year just gone. There is a clear commitment in the forward view. The increases in indemnity costs, which are not a consequence of GP actions or failures or whatever, will be indemnified by the Government. I repeat that again today. I have already made the point about specialist nurses and pharmacists.

We are trying to make progress on the law and address the level of costs awarded in some cases. The 12-week consultation on fixed recoverable costs began on 30 January this year. In the case of smaller claims, proposals include a cap on solicitors’ fees and on the hourly rate for expert witnesses and locums. It is also proposed that both sides share a single joint expert witness, because it is not always sensible to have two expert witnesses arguing with each other: it is possible to do that in a more effective way. The direct aim of the consultation is to reduce the ratio of the amount of money that the patient gets to the amount of money that the lawyer gets, particularly in the lower-value cases. The Government look forward to the results of the consultation and we hope we can move forward.
Another aim—this applies less to GPs, but is also very important—is to do what we can to keep cases out of court altogether by means of the rapid resolution and redress scheme. I have talked a little about maternity cases, but because of the level of the costs and the complexity of the case it can take many years for payments to start being made. That is not right because, from a justice point of view, the baby or the baby’s family needs the money more quickly. It can sometimes takes nine, 10 or 11 years until the legal side is sorted out, and that is not just.

We began a consultation on the rapid resolution and redress scheme in October last year. The scheme tries to keep the whole thing out of court by attempting through mediation and working together to come up with a sensible and fair solution much quicker so that the 11 and 10-year court cases are avoided. We will try and make progress on that. We have not talked about tort reform. The Government are not currently working on that in respect of indemnity, although that was implied in some of the remarks that my hon. Friend the Member for Cheltenham made.

I will finish where I began. Indemnity is a very important area for the NHS. We are spending towards £2 billion a year. That cost is accelerating and will potentially undermine the level of care that we can give. We need to do what we can to moderate costs.

Alex Chalk: I am encouraged to hear that some important initiatives and measures are being considered. Can my hon. Friend give us any idea of the timescale as to when an overall final outcome and settlement, or solution, is likely to be presented?

David Mowat: The two consultations will take 12 weeks. In a sense, my hon. Friend’s question is false. I do not think there will ever be a final solution because we are trying to reconcile two powerful forces: the need for access to justice and equity for people damaged through negligence and the need to be fair to our NHS. There will always be issues that evolve. The discount rate, for example, which we have talked about during the debate, will vary depending on where interest rates move in the months ahead.

We are talking about something that will always have to be kept under review. There will not be a final solution, but the two consultations that I mentioned will make a material difference and I am keen that we should make progress on them as soon as we are able to.

Heidi Allen (South Cambridgeshire) (Con): I appreciate the Minister’s giving way, particularly as I was late arriving for the debate, and so may have missed some key points. Building on the point made by my hon. Friend the Member for Cheltenham (Alex Chalk), of course I welcome the Government’s interventions, the consultation, the winter scheme and extra money for GPs to cope with inflationary pressures. The problem is that the costs are already so high.

Addenbrooke’s hospital in my constituency is losing trained doctors, who are put off by the cost. Older doctors are retiring early. Doctors are thinking twice about going into specialisms because there is perhaps a higher associated risk. Is there nothing else that we can do?

David Mowat: Those are all fair points, but in the GP forward view we have said that GPs will not bear the cost of increased indemnity—the Government will; and that is a commitment that we are holding to. The increased costs incurred last year are being paid through the GP contract, following the discussions that we have had with the BMA, and the cost of that to the Government for this year is £33 million. That is a commitment that will go into the future.

However, my hon. Friend the Member for South Cambridgeshire (Heidi Allen) makes a fair point that in a country with a shortage of GPs, where we are trying to recruit a further 5,000 doctors to work in general practice by 2020, we need to make the profession attractive. We are trying to do that, and there are different ways to do it. Indemnity is just part of it. To answer her point, I would say that this year the number of medical students going into GP training is the highest ever achieved. Something over 3,000 are going into the training, and we need them all. I responded to a debate here yesterday about a shortage of GPs in Essex. Frankly there are shortages everywhere; we understand that.

In a sense, I share the frustration of my hon. Friends the Members for South Cambridgeshire and for Cheltenham and the feeling “Why can’t we just fix this?” The answer is that there are legal rights that we cannot just take away; we cannot say that it will just not be possible to sue the NHS in future. That is not the system in the country that we live in. However, we need to do moderate, sensible things to bear down on costs, so that we spend a greater proportion of NHS money on doctors than on lawyers. All of us in the Chamber would agree on that.

3.22 pm

Alex Chalk: I thank all hon. Members who have taken part in the debate. I think that four things have emerged. First, there is an overwhelming and unified view that GPs are an enormously valuable part of the health service; it is important to underscore that point at every opportunity. To be blunt, I think that GPs sometimes feel got at—in the media and even in this place, I dare say. The message that needs to ring out from this Parliament is that we see GPs as the foundation stone of the NHS. What is good for them is good for patients, and what is good for patients is, of course, good for the country.

Secondly, there was a frank acknowledgement of the scale of the problem. My hon. Friend the Member for South Cambridgeshire (Heidi Allen) made the point that, notwithstanding the increases that we face, the present burden is itself demoralising GPs, and acting as a disincentive to becoming a GP. I take on board, however, the Minister’s point about the record number of applicants.

Thirdly, I am grateful that the Government are clearly taking the issue seriously, with the winter scheme, which has been referred to several times, and the £33 million per annum being invested to cover the cost of the increased indemnity. That is extremely welcome.

I shall close on the fourth point. GPs need to hear that the short-term solutions will translate into a long-term one. I was encouraged by the Minister’s comment that
the commitment being made at the moment with respect to the increased indemnity, of £30 million a year, will go into the future. In the not-too-distant future, we need the message to go out that the matter is being addressed, whether through that scheme or another one. It needs to be addressed coherently, sustainably and clearly, sending GPs—whether locums or permanent—the most straightforward message possible: that they are welcome and valued, that their finances are understood, and that we want a system that works for them as well as for patients.

Question put and agreed to.

Resolved,

That this House has considered the cost of GP indemnity in England.

3.25 pm

Sitting suspended.

Local Banking Facilities: Ampthill

[Mr James Gray in the Chair]

4 pm

Nadine Dorries (Mid Bedfordshire) (Con): I beg to move,

That this House has considered the provision of local banking facilities in Ampthill.

It is a great pleasure to serve under your chairmanship, Mr Gray. I am usually in that Chair myself; I had forgotten what it is like to be on this side.

In December, my office received an embargoed early notice from NatWest saying that it would shortly be announcing the closure of several of its branches in Bedfordshire, including two in my constituency. Although I have reservations about that programme of branch closures, I completely understand NatWest’s need to release and realise the funding behind some of its major assets. However, I am particularly concerned about the effect on the town of Ampthill. I have received a huge number of representations from local residents, who will be left with no bank or building society when NatWest finally closes its doors in June.

Despite the fact that online banking transactions with NatWest increased by 400% between 2010 and 2015, since 2011 transactions at the Ampthill branch have declined by only 20%, in contrast with other banks and branches across the country, according to NatWest’s own figures. Given that Ampthill’s population is growing and will continue to grow in the future, the branch’s customer base will get larger, not smaller. Although 65% of NatWest customers are now using online options, 35% will not or cannot, and a large part of the 65% who do will still need to use the branch at some point. Those general trends are even stronger in Ampthill, because it has a larger than average proportion of elderly people.

The switch to online banking most affects those who simply cannot navigate their way around cyberspace. The largest part of that group is the elderly and the vulnerable. If the Ampthill branch closes, the nearest NatWest will be almost 8 miles away, so people without cars face a long round trip on an infrequent local bus service to access banking services in Bedford. Ampthill is a market town based in the middle of a rural constituency, which unfortunately has—despite the fact that I have argued this case over many years—poor local public transport connections.

Jane Vass, the director of policy and research at the charity Age UK, said:

“If a branch closure happens in an area where bus services are poor”,
as is the case in Ampthill,

“or there is patchy internet service and mobile black spots, it can make banking life extremely difficult for the elderly.”

Despite being told that the closure will affect its customers in that way, NatWest is pressing on regardless.

Ampthill is a busy market town, and traders need access to banking services. I have received concerned representations from local businesses. NatWest currently provides a service to many smaller independent businesses, not just local traders; those businesses may not be able to undertake more complex business finance transactions after the branch closes. The local town council and Central Bedfordshire Council have both expressed deep
concern that, as well as stifling existing business in Ampthill, the proposed closure will have a limiting effect on the start-up and growth of small and medium-sized enterprises.

I pay tribute to Ampthill town council and the lady mayor, who has run a campaign to raise public awareness of what NatWest is doing in the town and has gathered many signatures. Despite the best efforts of the town council and Central Bedfordshire Council—I believe another meeting is taking place tomorrow night—NatWest has remained absolutely intransigent in its position. Its behaviour, which impacts local businesses in that way, appears contrary to its wider commitment to support business growth, particularly given its initiatives such as the Entrepreneurial Spark.

NatWest’s publicity material about the proposed closure of the Ampthill branch suggests that customers can use the nearby post office as an alternative to banking in-branch. I cannot believe that anyone from NatWest has ever set foot inside the post office in Ampthill, which, according to local residents, is struggling for space as it is. At busy peak times there are long queues. I was told today that it is difficult to get staff to work in the post office.

The idea that the already busy, quite small rural local post office should do the heavy lifting for NatWest when it decides to leave is almost preposterous. Only the simplest of transactions can be done in the post office. The deal between the Post Office and the banks is specifically designed to embrace basic—that is the key word—banking services. In a small village or town that had other branches available, that would be an acceptable compromise, but Ampthill’s banking needs are more complex and cannot be served by the post office branch alone.

Ampthill town council has run a valiant campaign to stop the closure. It told me that the post office branch into which NatWest wants to send its elderly customers and local businesses has poor accessibility for the disabled or infirm. The nearby town of Flitwick is slightly larger than Ampthill and has a smaller proportion of elderly or infirm. The nearby town of Flitwick is slightly larger than Ampthill and has a smaller proportion of elderly people, yet Barclays bank is absolutely committed to its community, yet through schemes such as Entrepreneurial Spark and others, NatWest makes much in its marketing of understanding the needs and concerns of local people. Its behaviour in Ampthill, however, shows the opposite—it does not understand the needs of the local people or of local business. NatWest has its hands over its ears when requests are made to leave behind some form of banking facility, and there is no fail-safe. My constituents will face a round trip of 15 or 16 miles to banking facilities in Bedford.

NatWest is a business and it is beyond the remit of the Treasury to instruct a bank to behave in a certain way. There is, however, a strong working relationship between the Government and the banking sector. We know that because when the banking sector fails the Government and local people pick up the tab—Ampthill residents, through their taxes, have helped to pick up the bill for failed banks, only to be repaid by NatWest, a recipient bank, walking away and turning its back on local people. Recently, I think I heard a figure of 72% in connection with one bank paying back its debt to the recipient bank, walking away and turning its back on local people—that was not NatWest.

I congratulate Barclays for not behaving in the same way as NatWest in a neighbouring town and for being far more diverse in looking at ways in which it can continue to serve the local community. It is time for NatWest to step up to the plate and to do the same in Ampthill.
4.12 pm

The Economic Secretary to the Treasury (Simon Kirby): It is a pleasure to serve under your chairmanship this afternoon, Mr Gray. I thank my hon. Friend the Member for Mid Bedfordshire (Nadine Dorries) for securing this important debate on behalf of her constituents. She is clearly a very loud voice for her area, and I am sure that NatWest will be listening carefully not only to what she has said, but to what I am about to say.

What is clear to me from the points made today, which were all very good, and from the many letters that I receive regularly from other hon. Members on this subject, is that we all agree on the vital role that banks and building societies play in our local communities, particularly rural communities. As Economic Secretary, I am committed to a financial services system that delivers for all its customers throughout the UK. It does not matter who people are, where they live, what they do or how old they are; it is important to deliver to everyone. We all need the industry to help us to manage our money and to achieve our life goals. Banks and building societies should be there to help everyone, at every stage of life.

I will talk about adapting to change. Banks have made a lot of progress to adjust to the wider changes to the way in which we are banking in the modern era. The banking industry estimates that the number of people going into branches to do their banking has fallen by roughly a third since 2011. RBS reports that, between 2010 and 2015, its customers' online and mobile transactions increased by 400%. The British Bankers Association reports more than 7,000 banking app logins a minute in 2015, which was a 50% rise on the previous year. Many of us in this place, too, have reduced our use of high street bank branches as it has become easier to do more online.

Such changes are leading to tough decisions for the banking industry. Some banks are investing in branch networks, some are consolidating their networks and some are establishing themselves as digital only. It is not for Government to intervene in those commercial decisions, although it is right for us to support access to the networks, some are consolidating their networks and online.

The post office in Ampthill is opposite the NatWest bank, in McColl's store and next to the Woodhead Horns repair shop. Next to the bank and opposite the post office is Cambridge Wine Merchants, so I understand that Ampthill is a flourishing, attractive place for people to visit to shop. The banking facilities are an important part of that, but it is worth saying that post offices enjoy longer opening hours than banks, with many open on a Sunday. Furthermore, the changes in the new agreement will help with our frequent worry, as MPs, about our post offices closing down. The additional services and responsibilities will ensure that they are more likely to continue successfully.

The Post Office is also carrying out investment in and modernisation of 7,000 post offices throughout the country, to make the network more sustainable in the long term. In Ampthill, I hope that means that the cloud has a silver lining. It is worth adding that the Post Office is the largest retailer open on Sundays, it has a bigger network even than Tesco, and I am keen to see financial services on our high streets throughout the country. The access to banking protocol means that when a bank decides to close a branch it must think very carefully about the consequences of doing so. It must engage with its customers, it must consider their needs and it must identify ways for its customers to continue banking after the branch has closed. That analysis must be made public.

I am pleased to say that all the major high street banks have signed up to the protocol. The British Bankers Association appointed Professor Russel Griggs to carry out an independent “one year on” review of the protocol. He published that review last November and made several recommendations to improve how the protocol operates. The Government welcome that review, and we are pleased to see the industry commit to further improvements to protect people affected by closures. There is already evidence of improved industry behaviour in places such as Ampthill. RBS, the parent of NatWest, has committed to providing customers with six months' notice of planned closures rather than the 12 weeks stipulated in the protocol, and it did so in Ampthill. That is good news for my hon. Friend the Member for Mid Bedfordshire, who will have more time to plan for change.

I should also say that customers could vote with their feet and switch their accounts to a bank with a branch nearer to them. My hon. Friend mentioned Flitwick, which is 3 miles away, where Barclays is clearly doing a good job. Perhaps people will consider that option. I can confirm that I have heard that NatWest has committed to retaining an ATM in Ampthill when the branch closes. That is good news and another example of positive industry behaviour.

Nadine Dorries: I thank the Minister for his forbearance. I have had a similar promise in writing from NatWest, but when it is asked to give that promise at public
meetings, it gives no such assurance to the local community. It is good that he said that on the record. I, too, have said it, but NatWest is not doing that in local meetings.

Simon Kirby: I am not really in a position to tell NatWest how to run its business, but here we are in a public forum that is being recorded and is available for all to see. Having heard that an ATM is promised, I would be disappointed if one were not delivered. I can be quite clear about that. I should say that I am sure that that promise is a result of my hon. Friend’s work and campaigning with local residents, who clearly see this as an important issue.

I will continue to keep a close eye on this matter. My hon. Friend will be aware that hundreds of towns, villages and even cities up and down the country are seeing changes in financial services. I try to take an interest in them all, but as she succeeded in securing this debate, I will take an even closer look and keep an eye on her area in particular.

I understand my hon. Friend’s concerns and the concerns of many other Members, who do a good job of standing up for their local communities. I encourage the industry to think creatively about how banks continue to serve their customers and how the impact of branch closures can be minimised. Banks and building societies need to balance customer interests, market competition and other commercial factors when considering their strategies. Although the Government do not intervene in such commercial decisions, we will continue to push to ensure that everyone can access the banking services that they need. I thank my hon. Friend for raising these important issues. This has been a good debate, and I look forward to visiting her part of the world in the near future to use the cashpoint, the wonderful wine merchants and the horn repairers.

Question put and agreed to.

4.24 pm

Sitting suspended.
that they had squared the circle and that the separation of policy areas that should be reserved and those left devolved was finalised. We discovered fairly quickly, however, that that was not the case and that the issue had to be revisited. The prediction of Ron Davies, the one-time Welsh Secretary, came to pass. Devolution is a process, not an event.

The extension of devolution, by the way, was described by the previous leader of the Scottish Conservatives as the most important debate in the Scottish Parliament. Interestingly, she said that at a time when a Labour Scottish Secretary, Des Browne, was busy trying to strip powers from Holyrood—presumably because the Scottish National party had won the Scottish election in 2007. The upshot was an extension rather than a constriction of the competencies of the Scottish Parliament, and the debate continued. In policy area after policy area, power and competency has been ceded to Holyrood as it becomes clear—even to those opposed to any further devolution—that those powers and competencies are best exercised in Scotland. It is a process, not an event.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): The hon. Lady has secured an important debate. When the UK devolution settlements were designed in 1998, there was no thought of Brexit and, at that time, the single market was the European single market. After Brexit, the single market will be the UK single market—at the moment, because Scotland is not independent. How does she believe that will work in agriculture, fisheries and other policy areas?

Deidre Brock: The hon. Gentleman will be pleased to hear that I will address that later in my speech.

Now we find ourselves about to leave the European Union, the Prime Minister is making the threat of removing competencies from Holyrood as they come back from Brussels; other than that, we do not really have any idea of what she is planning. Leaving the European Union means that the Scotland Act 1998 must be revisited, because it compels Scotland to comply with EU law. The clawing back of powers and competencies from Holyrood to Whitehall, as suggested by the Prime Minister, would also require amendments to that Act.

If Members want to understand exactly how much entanglement there will be, they should ask the Commons Library, as I did. They will be told that there is a huge number of directives and regulations to look through and that to come up with a definitive figure, list or even idea of what is reserved and what remains devolved is, to all intents and purposes, a fool’s errand.

To give an example, there are 527 regulations under the environment, consumer and health sections alone, and there are a whole host of environmental regulations under other headings such as “energy”. I do not know whether the Scotland Office has been working to draw up a list—or the Wales Office or the Northern Ireland Office for that matter. It would be good to be told, but it is clear that there is an enormous amount of work to be done and an enormous amount of legislation to comb through. Sifting that, considering it, deciding where to lay it and working it out will need a new Scotland Act.

It is true that the Government could use section 30 of the 1998 Act further to reserve powers over those areas currently under EU control, but that would seem frankly perverse if the Act has to be amended in any case. That seems simple, but when I asked the Prime Minister last week whether she would use these powers to reserve powers over Scotland properly and seek the consent of the Scottish Parliament before making changes to the legislation that frames devolution, she seemed perplexed. Her answer to me was that she undertakes “full discussions with the Scottish Government on...reserved matters and...where we are negotiating on behalf of the whole of the United Kingdom.”—[Official Report, 8 March 2017; Vol. 622, c. 808.]

However, we discovered on Monday that that is simply not true. Scotland’s First Minister was clear that none of the devolved Administrations had heard a peep from the UK Government before the announcement that we are all being dragged out of the single market, in spite of that being the major part of the Scottish Government’s compromise proposal on Brexit.

There is a sweetheart deal for Nissan, but no discussion of Scotland’s needs—far less any movement to accommodate those needs. Membership of the single market is vital for Scotland’s exports, and essential to the exercise of the economic competencies of the Scottish Parliament and to the future of many Scottish businesses. An immigration system that offers EU citizens the right to come to Scotland to live, work, study and settle down is essential to our continuing to grow a population that is economically active and demographically sustainable, as was discussed in the recent Scottish Affairs Committee debate. Academic research and the excellent record of Scotland’s universities is under threat, because Brexit will cut them off from an enormous research funder and from the universities they co-operate with on the continent, not to mention the academics who come to Scotland from elsewhere in the EU.

The implications for Scotland of triggering article 50 are enormous and deep-seated and, whichever way things go, they will have a long half-life. We have heard the glib “Brexit means Brexit”, that it will be red, white and blue and that there will be no running commentary, but I am beginning to suspect that there is no running anything behind Whitehall’s firmly closed doors. It is time that the Government started to lay out what Brexit actually means in terms of implications for the people who live on these islands, rather than continuing use of tautology.

Tommy Sheppard (Edinburgh East) (SNP): My hon. Friend is making an excellent case. Does she agree that those people—the minority—in Scotland who voted to leave the European Union did so hoping that they would see a transfer of powers back from Brussels to Edinburgh and that they will be dismayed that they are getting a transfer of powers from Brussels to Westminster? Does that not do a disservice to those no voters in Scotland as well as disrespecting the entire country, which took a different view?

Deidre Brock: My hon. Friend makes an excellent point that I completely agree with. The National Farmers Union of Scotland shares many of his views. It has told me that Brexit is the biggest challenge to Scottish food producers in generations. Farmers, food processing companies and hauliers now enjoy European markets and guarantees on future financial support. Many of Scotland’s farmers depend on that financial support to remain solvent.
The NFUS is clear that the issue should be in the purview of the Scottish Government, and that the cash should follow that competency. That would be around £600 million a year, or £3.5 billion over the current seven-year cycle. More than 20,000 businesses in Scotland receive common agricultural policy payments, and more than 3,000 of those receive less than £1,000 each; that is subsistence, not luxury. We have no idea what the Government intend to happen—whether the cash will be ponied up for our farmers or what other support is in the pipeline.

We all know that the Government are sick and fed up of having to think about the fate of European citizens here and want it tied to UK citizens abroad—the very definition of bargaining chips. We know that because the Prime Minister keeps telling us. Scotland needs those citizens. Half of Scotland’s population growth in the past 15 years has come from EU citizens, who have come and made a huge contribution to the country. Four fifths of them are of working age, and four fifths of those are employed. They drive Scotland’s economy and contribute taxes, which are of course to be collected for the Scottish Government from April. Scotland cannot hang on and hope that we get something for those people. We need it now because they need it now, so that they can plan ahead rather than planning to leave.

We do not need warm words and vague hopes that a deal can be done, but straightforward action, and now. Scotland needs the UK Government to make the necessary changes now to give EU nationals continuing legal rights—of residence, movement, economic activity and study—that would need legislation to be removed, not a promise to look at it sometime in the future. That is what Scotland needs, what the Scottish economy needs, what Scotland’s public sector workforce needs and what the devolution settlement needs.

If the UK Government want to make a decent fist of Brexit, they have to start being honest. The Prime Minister keeps telling us. Scotland needs the devolution settlement needs. The Prime Minister has to stop telling us that she is consulting Brexit, they have to start being honest. The Prime Minister keeps telling us Scotland needs the devolution settlement needs. The Prime Minister has to stop telling us that she is consulting Brexit, they have to start being honest.

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was passed by the constitutional convention in 1989 and was again agreed by the Scottish Parliament in 2012, but is the principle of the claim now under threat from the Conservative Government? The Tories have never been clear about whether they endorsed that principle in the first place, and it appears even more under threat now, especially if the Prime Minister tries to block or delay the requested potential independence referendum in Scotland.

The second key principle, enshrined in the Scotland Act 1998, is that whatever is not reserved is devolved. As we all know, schedule 5 to the Act is clear about what is reserved: defence, foreign affairs, social security and aspects of trade and energy. There have been some derogations in those areas over the years, but anything that is not mentioned in schedule 5 to the 1998 Act is therefore devolved to the Scottish Parliament. Climate change is a very good precedent for that. When the UK Parliament decided it wanted to legislate on climate change emissions, responsibility fell to the Scottish Parliament to make legislative provision in Scotland. The Scottish Parliament took it upon itself in 2009 to pass some world-leading climate change legislation, which was ambitious anywhere in the world. It seems now that the principle of what is not reserved being therefore devolved is also under threat. We have certainly had ambiguous answers from Ministers to date.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Does my hon. Friend agree that it is absolutely crucial that the UK Government provide clarity of their intent regarding the transfer of powers? The Scottish Government can then plan ahead and ensure that they have sufficient capacity and resource to take on any additional responsibilities.

**Patrick Grady**: Planning is of absolute importance, and I have to say, I probably have more confidence in the Scottish Government’s ability to plan ahead, irrespective of what the UK Government is doing. The First Minister has demonstrated at every turn, before, during and since the EU referendum, that the Scottish Government are actually thinking ahead about the consequences of various decisions might be. We have seen that demonstrated again this week.

My hon. Friend leads me on to the important practicalities of how the implications of triggering article 50 will be felt in Scotland and their implications for devolution. The first—I hope we will have an opportunity to find out a little bit more about this—will be when we finally get to see and hear more about the Government’s thinking on the great repeal Bill, or, as it is increasingly known in some circles, the great power grab. It is a serious concern for Members from all parties, not least the hardcore Brexiteers who wanted to restore sovereignty to the House of Commons, that what will in fact happen is a power transfer—a power grab—by the Executive in the United Kingdom.

We read in *The Times* the other day that it will perhaps not just be a great repeal Bill, but that up to seven or more pieces of individual legislation will be needed just to deal with the complexities of taking us out of the European Union. The Government have to start answering questions, precisely as my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) said, so that we can make plans.

The consequences for devolution are profound. Which will come first, the chicken or the egg? Are we going to see an amendment to the Scotland Act to reserve powers as a result of Brexit, or will individual pieces of legislation come forward that reserve different powers? What exactly is going to happen?

**Dr Poulter:** Will the hon. Gentleman give way?

**Patrick Grady:** I am happy to, if the hon. Gentleman has an answer for me.

**Dr Poulter:** I speak as someone who was not a hardcore Brexiteer but voted to remain. Agriculture is an area that affects my constituency in Suffolk, as does many of the constituencies in Scotland. Given that many agricultural tariffs are currently set at a European level, if Scotland remains part of the United Kingdom and we have a UK single market, it would be appropriate for the UK Government to be involved in dealing with those agricultural tariffs, on a point of principle. Does he agree?

**Patrick Grady:** The principle that is very clear is that if something is not reserved to the UK Government, it is therefore devolved to the Scottish Parliament. I have not read the words “reservation of agriculture” in schedule 5 to the Scotland Act. Some of my hon. Friends might want to clarify or expand on the practicalities of that.

Let us take fisheries as an example, which was one of the potential Bills listed in *The Times* the other day. There are potential consequences for that. If the Government bring forward a fisheries Bill and have not clarified whether that is devolved or reserved, it seems to me that, under the English votes for English laws Standing Orders, it will fall to the Speaker of the House of Commons to decide whether or not that hugely profound, massive area of policy needs to be certified under the EVEL procedures. That could therefore deny a say to Members from Scotland on something that the Scottish Parliament equally has no power over, because we have been left in a legislative limbo. The Government have to start making clear exactly what their thoughts are on these issues.

**Margaret Ferrier:** Does my hon. Friend agree that, in the case of fisheries, the most appropriate people to administer are the Scottish Government? We have witnessed in the past inexperienced members of the UK Cabinet representing the UK at EU talks, with much more knowledgeable and seasoned Scottish Ministers being snubbed.

**Patrick Grady:** Indeed. That goes right back to the very process of the UK joining the European Community in the first place, when the fishing communities of Scotland were sold down the river as a bargaining chip in those original negotiations. There is a fear that that will happen again.

The final area that needs to be clarified is the Sewel convention, particularly as it relates to secondary legislation. One fear about the power grab that will come in the great repeal Bill is that the Government will take much power for themselves, through Henry VIII powers, to deal with European regulations by secondary legislation. However, secondary or delegated legislation is not subject...
to the Sewel convention. Concerns about that were raised by the Presiding Officer of the Scottish Parliament in written evidence to the Procedure Committee, which was published this afternoon. He says:

“Looking beyond the Great Repeal Bill, I would also observe that the current deadlines under which subordinate legislation is introduced in the UK Parliament would already constrict the timescale for any consequent scrutiny at the Scottish Parliament. There is a worry that any suggestion of foreshortening those deadlines may not be conducive to allowing proper oversight of any instruments that may include devolved matters.”

The consequences are profound, let alone the fact that the Supreme Court has already said that the Sewel convention is a political decision and therefore not worth the vellum it is inscribed upon.

The implications of triggering article 50 for devolution are profound. The Prime Minister said at Prime Minister’s questions today that she is listening and discussing, but now is the time for agreement and action. Perhaps the Minister could start by answering some of the questions we are raising today.

Several hon. Members rose—

James Gray (in the Chair): Order. It may be helpful for Members to know that I intend to call the first of the three party spokespeople at 5.10 pm, and therefore we have about 15 minutes left for three speakers. If my arithmetic serves me right, that means about five minutes each. I call Ian Murray.

4.54 pm

Ian Murray (Edinburgh South) (Lab): Thank you, Sir James. May I apologise to the—

James Gray (in the Chair): Order. I am most grateful to the hon. Gentleman, but I am not in fact Sir James. It may be in the post, but it has not yet arrived.

Ian Murray: It must be in the post; I hope it is, because it would be thoroughly deserved. I apologise to you for elevating you to a knighthood, Mr Gray, and also to the House for being slightly late. A major constituency issue delayed me, so I only heard the end of the speech by the hon. Member for Edinburgh North and Leith (Deidre Brock).

This issue will be a key element of the discussions over the next few years in this House. I am not sure how many thousands or tens of thousands of statutory instruments and pieces of legislation we will see when the great repeal Bill is announced, but I hope we will have some kind of process that takes into account three things. First, English votes for English laws should be suspended with the great repeal Bill, given its severity. Secondly, there must be a streamlined process, so that we do not all end up having to sit and consider 10,000 statutory instruments. I am sure that the House, and certainly the Clerks of the House, would very much welcome that.

Thirdly, I hope that the Minister and the Government—I say this with all respect and in the interests of trying to find a way through—take into account the political difficulties and sensitivities of the Scottish Parliament’s responsibilities and schedule 5 to the Scotland Act 1998. Schedule 5 is incredibly simple to read now because it has got so small, given the number of powers that have been devolved to the Scottish Parliament, but the key one in there is the relationship with the European Union and foreign affairs. That should not be an excuse for the Government to say that the devolved Administrations should not be heavily involved in this process.

None of us wanted to be here—I certainly did not—in terms of Brexit, but we are, and this process has to be followed through. I pay tribute to the hon. Member for Edinburgh North and Leith for securing this debate. It will probably be one of many we have on Brexit and Scotland over the next few years.

I said this to the Prime Minister yesterday in the House and will emphasise it again now. The general principle should be that where a power is not in schedule 5 to the 1998 Act and where a power has been devolved—whether to Scotland, Northern Ireland, Wales or the metro mayors we are about to elect in May—the power should be devolved. The reason I put it as a principle, rather than saying everything should be devolved in a blanket way, is that some things will take some thought when it comes to the framework. While things such as fisheries, agriculture, the environment, regional development and policy from the European Union are devolved to the Scottish Parliament, it is under the EU framework. That EU framework gives the minimum standards and framework in which member states have to operate.

Dr Poulter: The hon. Gentleman is making a very good speech. This is a difficult area, as he has outlined. Agriculture, for example, is devolved to different parts of the United Kingdom, and there is disagreement on areas such as genetically modified crops. However, when the Secretary of State for International Trade needs to make a trade deal, that is surely something that the UK Government across the UK single market are best placed to do.

Ian Murray: I am glad that the hon. Gentleman made that point, although my response will not necessarily be on the complicated nature of what he determined in his intervention; rather, it will be on how crucial it is for both Governments to work together. Unless both Governments work together, all the negotiations that are happening on trade deals or otherwise will be incredibly difficult to resolve. Given that Scotland and other regions and nations of the UK have some significant products that are of a singular nature to those particular geographical areas, we will have to work together.

Agriculture is one of three or four big areas where we need some kind of working together to ensure that this works properly. Take, for example, cattle movement across borders, which is a hugely complicated and difficult thing. It is about not only the cattle themselves and their welfare but the spread of disease and other issues. We will need some kind of working together and a framework to allow that to happen. While repatriation and devolution should be the principle, we should do this in a systematic way, not only for the benefit of the country and ensuring that this works properly, but for the benefit of the practitioners in all those areas—whether it be the environment, agriculture or fisheries—that will be repatriated and devolved.
Finally, it is not only about devolution; a cheque has to go with it. It cannot just be devolution of power without the devolution of the money. If we take agriculture as an example, again, Scotland gets 16% or 17% of UK agricultural spending in the round. That would have to travel with the devolved powers, which is why I think we need to be quite careful that the frameworks in place for each of those big items are dealt with properly.

5 pm  

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): It is a pleasure to speak in the debate, Mr Gray. I must admit that I did not originally intend to, but I was impelled to do so by the excellent lead given by my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock). In my brief contribution I want to drive home the message about the importance of doing things right, particularly for big areas such as agriculture and fishing. I shall focus on agriculture.

My hon. Friend the Member for Glasgow North (Patrick Grady) reinforced the principle: if it is not reserved, it is by definition devolved. Let us consider the distinct nature of Scottish agriculture: 85% of our land has less favoured area status; as a nation Scotland is approximately 8.4% of the population; we received 16.5% of CAP and we are approximately 32% of the land mass. We have to have a policy that reflects that profile and the different challenges in Scotland. I am the Scottish National party Environment, Food and Rural Affairs spokesperson and have yet to meet a Scottish farmer who is happy for this place to be responsible for Scottish agriculture—and, by the way, a lot of those farmers are not traditional SNP supporters.

At the moment we have no confidence. To be honest, English farmers do not have confidence in the Department for Environment, Food and Rural Affairs. At the Oxford conference in January, when I stood in for the Scottish Farming Minister, the audience was asked who had confidence in DEFRA to deliver in a Brexit world, and no hand went up until, belatedly, the Farming Minister, sitting in the front row, put his hand up, thinking “At least I should have confidence in my own Department.” The industry across the UK, but especially in Scotland, lacks confidence in this place’s capability to design a UK framework—particularly one that takes into account the distinct nature of Scottish farming.

The hon. Member for Central Suffolk and North Ipswich (Dr Poulter) made an interesting contribution. There is a bigger picture and the hon. Member for Edinburgh South (Ian Murray) reinforced aspects of that. We are not saying that there should not be a level of negotiation within the UK; absolutely there should. There is a need for common frameworks in certain places. Within the common agricultural policy there is a common framework, but there is a level of devolution and Scotland and England have different CAP deployments. However, we are absolutely clear that we must negotiate that as partners—as equals at the table, looking for the common framework and agreeing it. At the moment, all the mood music and the signs suggest a power grab. The message is “Don’t you worry. We are the head of the family. We’ll look after you.” I am afraid that that will not wash with the rural communities in Scotland.

Before I close, perhaps I might reinforce the explanation of why there is a lack of trust and why the Government should actively seek to be as transparent and open as possible about their intention. The fact that they do not do so sends out the wrong signals. It worries people. That is because of our experience. We have heard what happened to fishing; it was “expendable”. Even today, as Brexit negotiations go on, a certain individual from the UK Independence party who leads the charge on many such things is going around TV studios saying “I’m hearing fishing is expendable again.” There is no trust that a UK Government will stand up for Scottish fishing. Let us remember, more fish were caught in Orkney and Shetland than in the whole of England and Wales put together last year. It is overwhelmingly a Scottish industry.

The second area I want to mention is the convergence uplift. It is EU money—£230 million—almost all of which should have gone to Scottish farming. It was distributed across the UK and we got 16%. Scottish farmers see that and think “If they will take money out of my pocket, will they look after me when they design a UK farming system?” I do not think so. The Government must step up and be clear, and if they do not pass on responsibilities the judgment will be at the ballot box.

5.5 pm  

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray, and take part in this debate, which was ably introduced by my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock). She laid out the position very well. The tone of the debate has been very good; I hope the Minister will continue in the same vein.

Let me mention a few issues that my hon. Friends and the hon. Member for Edinburgh South (Ian Murray) raised. One of the main reasons for the situation we are in—and why we are having these debates—is the huge uncertainty we face. As my hon. Friend the Member for Glasgow North (Patrick Grady) said, there has been no clarity from the UK Government about how the processes or the timescales will work. Will there be a fresh Scotland Bill or just amendments to the Scotland Act 1998? Exactly how will the processes work? As for the timeline, we do not want to fall into a legislative trap or get stuck in legislative limbo. I am sure that the UK Government have plans, but it would be nice if they told us what they were, so that we could be aware of the timescales. If we are going to try to work together in a future settlement, it would be best if we got off on a good footing, with as much information as possible.

My hon. Friend the Member for Glasgow North and I have discussed the great repeal Bill at length; no doubt we will continue to discuss it in the coming months, because we are particularly interested in the process. The great repeal Bill has the potential to become a great power grab for the UK Government, giving them a lot of powers that they do not currently have. I do not imagine that that is what most people who supported the leave campaign had in mind. [Interruption.]

James Gray (in the Chair): Order. There is a Division in the House. The sitting is suspended for 15 minutes, or less if Members come back earlier.

5.7 pm  

Sitting suspended for a Division in the House.
On resuming—

**James Gray (in the Chair):** I think we can assume that the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) is not returning to the Chamber, or perhaps he will return in a moment. Because of the Division, the debate will finish at 5.45 pm. Therefore, if my arithmetic is right, the hon. Member for Aberdeen North (Kirsty Blackman) has another three minutes to go, the Labour spokesman will have five minutes and after that, the Minister will have 10 minutes.

**Kirsty Blackman:** Thank you, Mr Gray. I am always a bit discombobulated if there is a vote in the middle of my speech, but I will do my best. I was asking for clarity over the process of the great repeal Bill. We very much make the case to the UK Government that as soon as they have clarity, we would like that to be passed on to us, so we can make informed decisions.

On agriculture and fisheries, there is a lack of trust from a huge number of people in those industries because of how they have been treated. Part of that is genuinely a lack of understanding from the UK Government about the differences in fishing in Scotland compared with fishing in the south of England, for example. On that note, I understand that the Prime Minister will undertake a tour of the UK to talk to us about how wonderful Brexit will be. When she comes to Scotland, I would appreciate it if she spent her time listening—rather than talking—to people from industries, and particularly those that are over-represented in Scotland but under-represented in England. She may know less about them, so that would be good.

I will briefly mention trade deals and protection for communities. We have a lot of communities in Scotland—as in Wales—that are heavily reliant on one industry. Aberdeen is very reliant on the oil industry. Areas such as the one that represented by my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) are heavily involved in the farming and agriculture industries. If things are not right for those industries, those communities are likely to be decimated, so the UK Government should think about prioritising industries that will have a dramatic impact on certain communities rather than those that are the most lucrative for the UK as a whole. They should think about that and reframe the position.

Finally, Brexit is not a situation of our making. The Scottish Government have done their very best to propose a compromise, which we put forward in December, but we have struggled to get any sort of coherent response. It is really important that the UK Government start to work with and talk to us. If we are going to work together, as the hon. Member for Edinburgh South suggested, we need actual, real dialogue, rather than the Prime Minister just standing up and saying that she is talking to us. If she actually talks to us, it will make the process a whole lot easier and a whole lot better tempered.

I congratulate the hon. Member for Edinburgh North and Leith (Deidre Brock) on securing this debate, on focusing our attention on a really important issue and on setting the tone for the debate in a way that has been reflected in a number of serious, thoughtful and challenging contributions for the Minister to consider.

The hon. Lady was right to ask questions about the Government’s plan for Brexit; I have to say that it is not just Scotland that is being kept in the dark. She is probably right when she says the Government do not really know. It is not necessarily that they are hiding their secret plan; it is so secret that they themselves are not aware of it. Indeed, there were reports this morning in the papers that a battle is going on inside No. 10 about how much the Government will tell the EU about their plans for Brexit when they start the negotiations, and that battle has yet to be resolved.

In the winding-up speech by the Scottish National party spokesperson, the hon. Member for Aberdeen North (Kirsty Blackman), the point was made that we really do not want to be here; none of us do, but clearly we are. Over the past few weeks, we have been talking very much about process and it is important that a debate such as this one takes place, because it begins to shift our attention back to substance. There are some very real issues on which we need to hold the Government to account in—let us not forget—what are the most important negotiations this country has faced since the second world war.

All our attention needs to be on that task, without distraction, because the Government’s approach so far really cannot fill us with much confidence. I do not know whether other Members have caught up with this story, but apparently this morning the Brexit Secretary told the Exiting the European Union Committee that the Government have not carried out an assessment of the economic impact of leaving the EU without a deal. I am not sure, therefore, on what basis the Foreign Secretary said that would be a good thing for Britain, when even the International Trade Secretary, who is a bit cavalier about these things, has warned about the risk of crashing out without a deal.

Those sorts of conflicting statements, as well as the lack of certainty and the lack of the type of information that hon. Members have been seeking, is causing huge uncertainty, which the Government must be aware of. We hear all the time from people who are wondering whether to build their lives here, what their future is for their businesses, and so on.

A lot of these issues could have received a positive response in many of the amendments that were tabled to the European Union (Notification of Withdrawal) Bill, but the Government’s obsession with having a clean and unamended Bill has added to the lack of clarity; not just on the issues we have faced this week on the final vote and on EU nationals but on the attempt by the Labour Front Bench to require the Government to consult regularly the devolved Administrations in Scotland, Wales and Northern Ireland, and to put the Joint Ministerial Committee on a statutory footing, and to consult it at least every two months.

I hope that the Minister will make up for that uncertainty by responding to requests from hon. Members and explain exactly how the Government will not talk but listen to, as the hon. Member for Aberdeen North said, the people—not only people in Scotland but around the
country. Can he say how he and the Government will ensure that there is a strong voice for the nations and regions of our country in these negotiations? That matters, because although people voted to come out of the EU, they did not vote to be shut out of decisions, and there are a range of related issues that many Members have commented on and about which we need clarity.

Above all, it would be useful for the Minister to confirm whether there will be a presumption that any powers in the devolved areas that are repatriated to the UK following Brexit will be devolved to the Scottish Parliament and other devolved Assemblies. What is the starting point for the Government’s thinking? Other Members have mentioned funding, which is important not only for agriculture but for structural funds and university funds. What sort of clarity can the Government give about their intentions? Will they seriously consider Scottish Labour’s suggestion about bringing all the peoples of the UK together in a constitutional convention, so that at this profound moment of change for our country we can bring in a new settlement on all these issues for the benefit of all the regions and nations of the UK?

5.30 pm

The Deputy Leader of the House of Commons (Michael Ellis): It is a pleasure to appear before you, Mr Gray.

James Gray (in the Chair): You can “appear” before a judge.

Michael Ellis: Well, that has not quite happened yet. Nevertheless, it is a great pleasure to be here and to represent the House in this debate. I congratulate the hon. Member for Edinburgh North and Leith (Deidre Brock) on securing this debate. I am sure it is one of the many debates on this subject that will continue to take place.

As a Government, we are keen to ensure that the process of leaving the European Union receives the maximum scrutiny and parliamentary debate possible, and this discussion has been an important contribution to that dialogue. In fact, Ministers from the Department for Exiting the European Union have already responded to more than 600 parliamentary written questions, appeared at 13 Select Committee hearings and given six oral statements in eight months, and there will, of course, be many votes on primary legislation to come, as I am sure hon. Members recognise.

The European Union (Notification of Withdrawal) Bill is a straightforward Bill. It is intended to implement the outcome of the referendum. That trusts the decision of the British people, and respects the judgment of the Supreme Court. In June last year, the United Kingdom voted as a whole to leave the European Union. By invoking article 50, using the authority given by Parliament when it passed the Bill on Monday, the Prime Minister will simply be getting on with the process of taking forward that result.

When they invoke article 50, the United Kingdom Government are committed to ensuring that the interests of all parts of England, Scotland, Wales and Northern Ireland are represented as we enter negotiations to leave the European Union. Since the referendum, we have ensured that the devolved Administrations are fully engaged in our preparations to leave the European Union. We established the Joint Ministerial Committee on European Negotiations, chaired by the Secretary of State for Exiting the European Union, which has met four times since its inception in November. The Joint Ministerial plenary, chaired by the Prime Minister personally, has also met twice—in October and January—and there has also been substantial bilateral engagement between Ministers.

Deidre Brock: Will the Minister give way?

Michael Ellis: I would like to make some progress.

In December, the Scottish Government published their proposals for a differentiated settlement in their paper “Scotland’s Place in Europe”. Contrary to much of the narrative on this topic, the United Kingdom Government have repeatedly recognised that paper as a serious contribution to the debate. Michael Russell, the Scottish Government Minister for UK Negotiations on Scotland’s Place in Europe, presented the paper for discussion at the Joint Ministerial Committee on European Negotiations in January, and lots of officials across both Governments have been working intensively and well, both to deepen our understanding and to forge a constructive dialogue between Scotland’s two Governments.

There is common ground between the two Governments, for example on workers’ rights, the rights of European Union nationals and the important issues of criminal justice and counter-terrorism. Those were all key elements in the Prime Minister’s keynote speech at Lancaster House and the subsequent White Paper, and I suggest that they demonstrate that there is much we agree on. We are committed to continuing to work closely with the Scottish Government and other devolved Administrations after article 50 has been triggered.

Deidre Brock rose—

Michael Ellis: I am conscious of the time, but I will give way to the hon. Lady.

Deidre Brock: I heard today that the Government have announced the JMC will not be meeting again before article 50 is triggered. Is that correct?

Michael Ellis: There have been several meetings, as I have enunciated, and no doubt there will be more meetings to come. There is close working between the United Kingdom Government and the devolved Administrations, and ensuring that we take into account the interests of Scotland, Wales and Northern Ireland is vital for securing a future partnership with the European Union that works for the whole of the United Kingdom. It was only a little over two years ago that people in Scotland voted decisively to remain part of the United Kingdom, in a referendum that the Scottish Government called a “once in a generation” vote. The evidence clearly shows that a majority of people in Scotland do not want a second independence referendum.

As the Prime Minister and others across the political spectrum commented following the First Minister’s speech on Monday, another referendum would be divisive and would cause huge economic uncertainty at the worst possible time. The tunnel vision that the First Minister demonstrated in her speech is deeply regrettable. Instead of playing politics with the future of our country, the Scottish Government should focus on the state of education,
[Michael Ellis]

hospitals, the police service, jobs and the economy. The Scottish Government have significant powers at their disposal, including those under the Scotland Act 2016. We need to hear how they intend to use those powers.

As for the practical business of leaving the EU, there will be much work ahead to ensure legal certainty from the day we leave. Looking forward, the great repeal Bill will be included in the Queen’s Speech. That important piece of legislation will provide legal certainty by ensuring that wherever practical and appropriate, the same rules and laws will apply the day after we leave the European Union as did before. The Government will introduce a White Paper providing more detail in due course. The Government are conscious of the importance of that work for economic and policy operations in Scotland and the significant interest that the business and legal community and civil society generally will have in the continued smooth operation of domestic legislation.

The Scottish devolution settlement was created in the context of the United Kingdom’s membership of the European Union. As we leave the EU, we will use that opportunity to determine the best place to make new laws and policies on these issues, ensuring that power sits closer to the people of the United Kingdom than ever before. As set out in the White Paper, our guiding principle will be ensuring that no new barriers to living and doing business are created within our own Union. On that basis, we will work with the Scottish Government, along with other devolved Administrations, on an approach for returning powers that works for the whole United Kingdom and reflects the interests of Scotland, Wales and Northern Ireland. The Government have made it clear on numerous occasions that no decisions currently taken by the devolved Administrations will be removed from them. Moreover, we will use the opportunity of powers returning from the EU to ensure that more decisions are devolved.

The process of leaving the European Union has aroused a passionate debate about our future partnership with Europe. As a Government, we will continue to listen to all voices in that debate while weighing the evidence appropriately. We have engaged extensively with stakeholders in Scotland about EU exit, and we are committed to continuing to do so. The Government continue to believe that we will get the best deal for Scotland and the whole United Kingdom if we have a united front.

5.38 pm

Deidre Brock: I thank all my hon. Friends and Members for their incisive, thoughtful and, in some cases, very passionate contributions. I am a little disappointed that there are not as many people from the other side here today as we might have expected, given the subject matter and the fortuitous timing of the debate this week.

The Minister spoke about the Government being keen to receive maximum scrutiny of Brexit plans. He referred to 600 written questions, many statements in Parliament and so on. I hesitate to speak for colleagues, but in my experience, questions are stonewalled, not answered, and the rising levels of frustration across the House and from devolved Governments and Assemblies are almost palpable.

We are all asking, not unreasonably, for some clarity—clarity on how we exit the EU, what it will mean for devolution across the UK, and specifically, given that I am a Scottish MP, what it means for Scotland. If the UK Government continue their stonewalling of our reasonable requests for information on behalf of our constituents and the people of Scotland, many of whom are extremely concerned about what a future out of the EU will mean for them, I am afraid we will simply take matters into our own hands.

Question put and agreed to.

Resolved.

That this House has considered the implications for the Scottish devolution settlement of triggering Article 50.

5.39 pm

Sitting adjourned.
Westminster Hall

Thursday 16 March 2017

[SIR EDWARD LEIGH in the Chair]

Future of Rail (Passenger Experience)

1.30 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op):
I beg to move,

That this House has considered the Sixth Report from the Transport Committee of Session 2016-17, The future of rail: Improving the rail passenger experience, HC 64, and the Government Response, HC 905.

It is a pleasure, Sir Edward, to serve under your chairmanship.

Our inquiry into improving the rail passenger experience started early last year, as the second of a series of five investigations into the future of rail. We have also looked at rail technology and rail franchising; we are currently considering rail safety; and we will complete our rail inquiries by looking at rail finance and governance.

There is no doubt that the number of people travelling by train has increased dramatically, which is a real success story, but what of the passenger experience? Examining this issue means examining some pretty basic issues. How easy is it to find and purchase the best-value ticket? How crowded is the train? Are there enough seats? How clearly is information presented on websites and apps? Are staff available to assist people at the station and reassure passengers about safety? How well does the train company keep passengers informed about disruption during the journey? Most fundamentally of all, will the train be on time? Will it be on time to the station to which the individual passenger is travelling and not simply on time at its final destination? We identified many improvements that are required, and the need for some of them is very long standing.

Let us consider the first aspect—looking for and buying the best-value ticket for a journey. The sheer complexity of ticketing, with different types of tickets across the patchwork of operators, has been an issue for far too long. Ten years ago, the Transport Committee described the complexity in rail fares as an “insult to the passenger”. In 2006, the Transport Committee decried the fact that the situation had been allowed to persist for several years. Yet last year we found that this fundamental problem had barely been dealt with and that the situation had barely changed, beyond some very small improvements. Some improvements to ticket vending machines had taken place, for example, but they were small improvements in comparison with the scale of the problem. Despite in-depth research by consumer groups and numerous pronouncements by the regulator—the Office of Rail and Road—and the industry, the problem persists.

A particularly unfair phenomenon is split ticketing. It is often possible for passengers who have the knowledge and time to undertake intricate research to save considerable sums of money by buying separate tickets for different portions of the same journey. It was possible to save money through split ticketing on 33 of 50 cross-country journeys that were examined by The Times last year, when it conducted a survey on this problem. This situation is unsatisfactory and unfair. People can pay as much as £85 more than is necessary for a single train journey, for example on the service from Penzance to Birmingham. There is a differential of £85 if someone buys split tickets rather than just buying one ticket. Further examples can be found on numerous routes.

Despite the problem having been well understood for a long time, no one in the rail sector appears to have a grip on it and no one seems to be responsible for dealing with it. The Transport Committee has been told on numerous occasions by a succession of Ministers that this issue will be dealt with, but nothing has happened and nobody seems to have the power to enforce any change.

Recently the Department for Transport, together with the Rail Delivery Group and the regulator, published a plan to deal with these issues; it contained proposals in December about certain trials that were to take place. It is unclear how effective this plan will be and we still do not know the full details of what these trials will be and where they will take place. I assure the Minister that, as a Committee, we will follow this matter up. It is good to have a plan, but we need to know exactly what it is, how effective it is and—if it is effective—how it would be rolled out across the system.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate my hon. Friend on securing this debate. Given that there are some extremely good websites out there—I have personal experience of using seat61.com and loco2.com—it is possible, quite straightforwardly, for someone to work out good rail routes, if they have access to a computer. So, given that it is possible, why does it seem so difficult for the Government and the train companies to resolve this issue, and what about those people who do not have access to a computer?

Mrs Ellman: My hon. Friend makes an excellent point. If somebody has the time, the knowledge, the ability and the access to the appropriate technology, they can discover a lot of information, but it is not available to everyone, and I find it very surprising that Ministers and the rail sector as a whole are simply unable to take up this issue and ensure that information that is technically available is actually available to the ordinary passenger. That is where my concern lies and where the Committee’s concern lies.

Kate Green (Stretford and Urmston) (Lab): I, too, congratulate my hon. Friend on securing this debate. Does she agree that it is also important that passengers are able to buy any sort of ticket, particularly at unstaffed stations, and that one of the urgent priorities is to make sure that ticket machines are put in place in all those stations where no staff are present, including those on the line through Urmston and Trafford Park, many of which do not have such machines?

Mrs Ellman: My hon. Friend makes another excellent point. There is nothing more frustrating for a passenger than to be told that tickets are available, only to go along to their local station and find that that simply is not the case. I say again that this is a long-standing
issue. It is known about, Ministers are well aware of it, but very little indeed has been done to resolve it. My hon. Friend has done a great service to her constituents in drawing attention to this issue during this debate.

Rail passengers want clear and accurate information about their journeys. They want information not only on how to go about their journey and what sorts of journeys are available but on how a journey is progressing. Too often, however, that information is simply not being provided.

When we conducted our inquiry and called for evidence, it came flooding in and we saw that passengers were largely negative, first about their experience of train operating companies’ websites. One such website was described by a passenger as being “appalling, badly designed, inefficient, difficult to use, often to the point of being unusable”.

Some smartphone apps seem little better, as they routinely failed to provide reliable information, for example about which platform a train will depart from. Once again, that is basic information and it is galling for passengers to read reports about systems being put in place, which can all sound very good. What really matters is what happens to an individual when they make their journey. That is what really counts.

It is important that the technology is available and accessible, but it is also important that people are actually at hand in stations to give assistance and information. That help is essential for everybody—travellers actually at hand in stations to give assistance and that is basic information and it is galling for passengers failed to provide reliable information, for example about their journeys. They want information not only about their journeys. They want information not only about their experience of train operating companies’ websites. One such website was described by a passenger as being “appalling, badly designed, inefficient, difficult to use, often to the point of being unusable”.

Some smartphone apps seem little better, as they routinely failed to provide reliable information, for example about which platform a train will depart from. Once again, that is basic information and it is galling for passengers to read reports about systems being put in place, which can all sound very good. What really matters is what happens to an individual when they make their journey. That is what really counts.

It is important that the technology is available and accessible, but it is also important that people are actually at hand in stations to give assistance and information. That help is essential for everybody—travellers want to see actual people around who can help them, and give them guidance and information—but for people who have a disability it is absolutely essential. Although the systems in place for assisting people with disabilities to travel by train sometimes work, there are also occasions when those systems break down, which is another great concern for us.

Overcrowding is another ongoing concern. It does not happen everywhere, but where it does happen it is extremely important and creates major obstacles. Many people told us that their journeys were uncomfortable. They often worried about whether they could actually get on the train. Many were concerned about the potential danger in getting on very crowded trains, and that is stressful.

Robert Flello: My hon. Friend is being generous with her time. I had an email recently from a constituent who is trained in first aid and who was concerned about a journey from Birmingham to Wolverhampton; she and others were standing and somebody fainted so she went to provide assistance. There was not space for the person to lie down, as is required when giving first aid to someone who has fainted. When the train crew got on, they said, “This happens regularly, because the train is so regularly crowded. We are used to people passing out.”

Mrs Ellman: My hon. Friend draws attention to a situation that is all too common. If there is sporadic overcrowding, that can perhaps be coped with, but when it happens regularly it requires attention and the situation is not being addressed. A great deal of the publicity about overcrowding relates to commuter lines into London, and that is where most of the overcrowding takes place, but it does not solely affect London. There is overcrowding on other routes, too. In Manchester, rush-hour trains are on average 4% over capacity, with 12% of passengers regularly standing. That is a lot of people, and average figures mask a lot of difference. The top 10 overcrowded train services in England and Wales are between 61% and 129% over capacity. Eight of the 10 most overcrowded services are in the London area, with two in Manchester, but there are examples throughout the country. This issue needs attention and it must not be ignored.

Will Quince (Colchester) (Con): Will the hon. Lady give way?

Mrs Ellman: Yes, I will.

Will Quince rose—

Sir Edward Leigh (in the Chair): Order. Normally if a Member wishes to intervene, they arrive in time for the beginning of the debate. Please continue, Mrs Ellman.

Mrs Ellman: Thank you, Sir Edward. The Department is well aware of this long-standing problem. It must identify places where overcrowding has become a persistent serious problem, making journeys uncomfortable. The train companies, through the franchise agreements negotiated with the Department, should be required to identify where there is a serious problem and take action to alleviate overcrowding on specific services. I hope that the Minister will confirm that he is looking at the problem and is proposing action to address it.

Over the past day or two, there has been a lot of discussion about the consultation on the Southeastern franchise, which has rightly raised the big issue of overcrowding. The consultation puts forward certain proposals for dealing with the issue, but it is not a problem just for new franchises; the problem is being experienced now, and it requires the Department’s attention. It relates to the train operating companies and the provision of rolling stock.

I repeat the question that I have asked a succession of Ministers numerous times in a succession of meetings: who is responsible for the long-term planning and delivery of rolling stock? That might sound like a pretty basic, simple, fundamental question, but I have never received a straightforward answer; the nearest I have got is something about “the Department”. I then ask, “Who is it in the Department? The Minister? The Secretary of State?” Then the clarity disappears.

When we come across specific issues and problems—there was one a couple of years ago when a carriage was moved from an important service in the north to go to the then Prime Minister’s constituency—Ministers appear to be powerless. I was told by the then Secretary of State, “It will get resolved.” It did get resolved, in the end and after a great deal of fuss, but I still had no answer to the question of who was actually responsible. The Minister is very diligent about these matters, so I hope he will be able to give a clearer answer. Who is responsible for the long-term planning and delivery of rolling stock, including new rolling stock and refurbishment?

People are facing a whole range of problems in undertaking their journeys on rail. Perhaps one constant feature, which overrides other rail issues, is the constant
challenge of the rail system’s fragmentation. Time and again we come back to the issue of how the sector will work together more cohesively to give the best possible service to the passenger.

The Rail Delivery Group was set up to bring the rail sector together. Yes, it has made some improvements, but it has not addressed the basic issues. How will it change the way it operates? Does it need more powers? Do franchises need to be different? Should the Department and Ministers act in a different way? How can the rail regulator be more effective in taking action? That is not clear. Does the regulator need more powers? If so, what are they? What action does the Minister propose to take to make that a reality? The most disappointing thing about the challenges that the Committee and I have identified is that most of them are not new: they are long standing. Despite the best efforts of a succession of Ministers and the Department, not a great deal has changed, and we simply cannot go on like that.

As our inquiry was under way, a major crisis was developing on Southern rail, which is part of the Thameslink, Southern and Great Northern franchise. It is run by the parent company, Govia Thameslink Railway—known as GTR—but I will refer to it as Southern, because that is the area in which the bulk of the problems have arisen and where the bulk of the difficulties are for passengers.

As we were conducting our inquiry, passengers on the route were becoming increasingly exasperated and angry that their rail service, for which many pay several thousand pounds a year, was inadequate and utterly unreliable. Whether passengers are paying several thousand pounds a year for a season ticket or simply paying their fare, they are equally entitled to have a proper service, but that was not happening. The situation remains virtually the same, with passengers suffering mass cancellations and inordinate delays. People’s jobs have been put at risk, simply because they cannot get to work on time. Some people reported that they have moved house because of the problem.

Life has been disrupted. Why? It is a sorry combination of a too-large franchise, poor management, misjudgment and disastrous industrial relations, which have conspired to create an appalling situation for passengers. The ongoing strikes have compounded a series of errors and incompetence. Passengers are right to be angry, but the Department does not seem to be doing much about the situation except to accept that there is a big problem.

It cannot be acceptable for those responsible for the problem—not just one party is responsible; responsibility must be shared by a multiplicity of organisations and individuals—to fail so comprehensively and for so long and to appear not to be acting. In 2016 alone, 58,983 train journeys were wholly or partly cancelled. That is a tremendous figure. I do not think the travelling public want to hear all the arguments about who is responsible. They just know that it is a fact that their lives are still being disrupted and that nothing much is changing, and they want something done about it.

The Department has already accepted that the franchise that was drawn up was much too large. It is the largest in the country. It is uniquely large; it contains more than a fifth of all the passenger journeys across Britain’s entire network. It is too large a franchise, and the Department has said that that was its mistake.

Add to that the situation on the ground and the complexity of major infrastructure works planned during the course of the franchise agreement, including the huge and logistically challenging Thameslink programme, and there was a recipe for calamitous passenger experience. The impact of the Thameslink programme on passenger services was substantially underestimated. The estimated number of delay minutes was forecast to be 10,000 per year; the reality has been 10,000 per week. I ask the Minister how that estimate could be so disastrously wrong. It has contributed substantially to the problem.

If we add to those things—too large a franchise and a major infrastructure challenge, the impact of which was grossly underestimated—ineffective levels of staffing, the situation becomes even worse. The industrial action on top of that has escalated the situation to an unacceptable level.

I mention one other factor; I suspect hon. Members will find it difficult to believe if they are not already aware of it. At the very beginning of the franchise, the company did not have enough drivers to operate the trains. That part has been rectified—except for the fact that we are now in a dispute about driver-only operation—but having insufficient drivers at the beginning of the franchise does not suggest great competence.

The question for the Department and the Minister to answer is: what is being done? The franchise was constructed on a management fee basis, which is currently unique, because of the anticipated risk. The revenues go directly to the Government and a fee is paid to the train operator, so there is no risk in that sense. I have described the nature of the services and the problems. The train operator receives an annual management fee of around £1 billion; probably around £3 billion has been paid out to date. Under that system, the public purse foots the bill for losses that occur from lost sales, disruption and passenger compensation.

I do not have an up-to-date figure of exactly how much has been lost and how much the public purse will have to pay out, but the latest figure I have is £38 million and rising. That was supplied by the Minister in a letter to me some time ago. Compensation schemes have been announced since then, and we do not know how they are operating or how much money is involved. The bill could be increasing substantially.

To add to the complexity and difficulty, there is the issue of force majeure, which concerns the dispute—ongoing and unresolved, as far as I am aware—between the train operating company and the Department for Transport about who is responsible for all those cancelled services. Who is responsible for those 58,983 and more train journeys that were wholly or partly cancelled? There is an unresolved dispute between the Department and the train company, with no end date in sight. That cannot be acceptable. All this is continuing—passengers are getting more and more angry, and there is no end date. I hope the Minister can tell us what is happening and when it will be resolved. The public also have a right to know what the Department’s plans are to deal with the situation.

The franchise is due to run until September 2021. I would not like to anticipate the extent or the level of anger that passengers are going to be feeling by then if nothing changes. What is the Department doing? Is it considering restructuring the franchise—perhaps dividing...
it up and allocating different parts to different operators? There is silence. We simply do not know what is happening. Doing nothing is simply not enough.

Kate Green: My hon. Friend is highlighting well-publicised problems at Southern Rail. She will know that, in the last few weeks, a similar dispute began with Northern Rail, which serves both her constituency and mine. Does she agree that Ministers need to take action swiftly so that we do not end up in the long drawn-out and unresolved situation with Northern Rail that passengers have had to suffer at Southern Rail? Will she call on the Minister to tell us what swift action the Government are taking?

Mrs Ellman: I agree with my hon. Friend. The issue is escalating and is now not solely to do with Southern Rail. I hope the Minister is able to tell us what he and the Department are doing to deal with this unacceptable situation. However blame is apportioned, it is the passengers who are suffering.

I thank the Minister for certain steps that he has taken in relation to Southern Rail, which have an impact on the rest of the rail network. The Committee was extremely concerned to find that the Department was not making information available about its monitoring of the franchise and whether contractual benchmarks were being met. After a lot of pressure from the Committee, the Minister agreed that that information would be made publicly available as far as it could be—not simply for Southern Rail, but across the network for other franchises.

I thank the Minister for responding to our concerns so swiftly when he realised their extent, but I have to ask when that information will actually be made available, for Southern Rail and for franchises in the rest of the country. It is extremely important that the Department monitors franchises. Because of its failures, the situation in the Southern franchise has now reached dramatic proportions, but there are other issues in other parts of the rail network and the Department is equally responsible there. I would like some information on that monitoring.

I have dwelt at some length on what is happening at Southern Rail because it is such a traumatic, ongoing event, but also because some of its features can be applied in other areas. We have major infrastructure works planned for other parts of the network as well. Will the Minister ensure that the problems in miscalculations made in relation to infrastructure on Southern Rail will not be replicated in other parts of the country when major infrastructure works take place? That is a very important question.

It is important to go back to the beginning and ask how we know what passengers’ concerns are and whether we are monitoring them properly. The rail sector does have ways of monitoring passengers’ views. There is an annual rail passenger survey, and other things are done, but the Committee felt that they were not really adequate because some of the information that we picked up from passengers was not reflected in some of the official statistics that had been collected. I would ask that that whole system be looked at again.

Later in this Parliament, we will complete our “future of the rail” series of inquiries by looking at rail finance and governance, and how important changes should and can be implemented. I am in no doubt that the massive increase in the numbers of people using trains is a success story and I applaud many of the developments in our rail service. In many ways, it has been a success—but there are major problems and issues, and one is the passenger experience.

I have outlined some of the report’s findings today, and I thank all Committee members, a number of whom are here this afternoon, for their work and dedication. They looked at the issue as a whole and have drawn attention to their own individual information and experience from their role as constituency MPs. I thank them for that.

We are all working to secure one end: to bring improvements. I conclude by thanking the Minister for the attention he has already shown to some aspects of the issue. However, the Committee would like to know what else will be done so that passengers’ experience can be improved, on a growing and increasingly successful railway.

1.59 pm

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship, as always, Sir Edward. I thank the Chairman of the Transport Committee, the hon. Member for Liverpool, Riverside (Mrs Ellman), for comprehensively summarising our inquiry. I would like to focus on two or three things and give one or two local examples from my constituency of the failure of both the services and the ticketing arrangements.

The hon. Lady spoke of the dispute on Southern. The only comment I want to add to that and to what is in the report is how amazing I find it that we were told by the two company representatives that there were not enough drivers to operate the services from day one, due to an unexpected fall in the number during the change-over of the franchises. They said that they did not know on day one, but surely they could not have been so incompetent not to have known on day one minus 10 or 20.

It is amazing that, on day one, the company should not have enough staff to operate the services they had committed to. I do not think we managed to tease this out of the Minister at the meeting—perhaps we did and my memory is failing me—but did the Department know that on day one the company could not provide the services it had contracted for?

The hon. Lady gave many examples relating to ticketing. We were told how complex it is because there are so many different routes and tickets, but that applies to many industries. Why are the ticketing arrangements on the railways so far behind the airlines, for example? They have speeded up their process, and it is now pretty easy to check in and get a ticket. I find it amazing that, after all this time and so many promises and reports, we are not able to ensure ease of operation.

The report is about the rail passenger experience, the first part of which is getting a ticket and getting information about train times. The hon. Lady gave an example of different websites giving a ticket price difference of £80. I did a bit of research this morning on how to get from my Cleethorpes constituency to Haverfordwest. Perhaps not a great many people do that journey, but I happen to have family in Haverfordwest and I have done it on a number of occasions. Amazingly enough, it can be done with only one change in Stockport.
I went on the National Rail website. National Rail sounds important, doesn’t it? People look at it and think, “This is the Rolls-Royce of websites.” Okay, it has got the information, but it is, shall we say, variable. When I tap in, “Cleethorpes to Haverton,” the website says at the top, “Buy the cheapest for £157.” That is for a single adult standard class ticket.

Buying a ticket from Cleethorpes to Stockport costs £21. There are numerous fares at different times of the day to then go from Stockport to Haverton, but I chose to leave Cleethorpes at 9:26. I was told that it would be £157, and that if I went 2 hours later it would be £163.80. If I go on the 9:26, I pay £21 to get to Stockport and £44.50 to get from Stockport to Haverton. That is almost a £100 difference. If a family of three or four do that, let us be honest, they are being robbed — there is no getting away from it.

Having gone to south Wales, I thought, “I wonder whether it is cheaper to get to north Wales,” and I did a similar exercise going from Cleethorpes to Bangor; I accept that perhaps not many people do that on a daily basis. Again, I found that if the journey is done in three stages, it can be done for £56.20, whereas the headline says, “Cheapest fare £81.40.”

My final example is to get from Cleethorpes to Felixstowe, which again I found can be done £15 cheaper than what is stated at the top of the webpage — mind you, four tickets are necessary to do that, so perhaps the convenience makes it worth it. In this day and age, this is not rocket science. If the railway companies cannot do it themselves, somebody else should be made to do it on their behalf, and they should have to pay to have it done.

Obviously, I travel down here from Cleethorpes every week and back again, and I am always amazed at how many times my tickets are not checked. There are no ticket barriers at Cleethorpes or where I change at Doncaster, and at least 50% of the time the barriers at King’s Cross are not operational. I have done that journey time and again — I could have saved the taxpayers no end of money if I had just taken a chance on it, but we are all honest, aren’t we?

Kate Green: I totally support the hon. Gentleman’s comments about tickets not being checked. The situation is exacerbated when there is no machine on the station and no staff from whom one can buy a ticket. On my local line, passengers regularly travel between Urmston and Trafford Park, for example, without paying — not because they are not willing to pay, but because there is absolutely no way they can do so.

Martin Vickers: The hon. Lady is absolutely correct. Seeing you in the Chair, Sir Edward, reminds me of the journeys that can be made from Cleethorpes to Lincoln via Market Rasen. There is often an announcement on the 9:20 train from Grimsby to Lincoln saying, “This train will be overcrowded when we get to Market Rasen. Can we get the tickets sorted out quickly?”

That brings me to overcrowding. You have probably used that 9:20 train yourself, Sir Edward. It leaves Market Rasen at about 10 o’clock in the morning and delivers you to Lincoln or Newark, where you can get down to King’s Cross. The reality is that it is a single unit, and has been one for years and years, despite the fact that it is regularly overcrowded when it leaves Market Rasen.

Robert Flello: Absolutely, and the same is true on the train that runs through Stoke-on-Trent on the Crewe-Derby line. It is a single unit and overcrowded, but nothing has been done for years. Nobody seems to care.

Martin Vickers: I thank the hon. Gentleman for that intervention. As the hon. Member for Liverpool, Riverside said, there is even a top 10 of overcrowding. I do not know whether the Market Rasen service is on it, but it certainly ought to be. The reality is that it is a single unit. East Midlands Trains will say, as it has said to me, “There isn’t enough rolling stock available, even when it cascades down after new stock has come on,” but that has been the case for 10 years. How long does it take to produce a new diesel unit to run that service?

If trains are regularly overcrowded, notwithstanding the fact that the rail experience is not particularly desirable from the passenger’s point of view, surely the companies are falling down on the commitments they made in their franchises. If they are not falling down on their commitments, the franchise agreements need tightening up.

Finally — the Minister would not expect me not to mention this issue; we have spoken about it on many occasions — the rail experience is much better if people do not have to change trains and there are through services. British Rail ended through services from Cleethorpes to King’s Cross in 1992, and it is about time they were restored.

I know the Minister is sympathetic and that you, Sir Edward, are sympathetic, because you would like through services to go through Market Rasen and Lincoln as they used to. It is about time that the Minister made some more sympathetic noises and guided me through the system, so that in the not-too-distant future — preferably before the next general election — we have an absolute commitment to provide such a service.

2.10 pm

Clive Efford (Eltham) (Lab): I congratulate my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) on her introduction to the report and the Government response. I came on to the Committee part way through the investigation, but I feel a certain amount of ownership because in my previous life on the Select Committee I was involved in the 2006 report. I am dismayed to be back here still debating exactly the same things we raised in our report all that time ago.

Before the 1997 general election I went to an event attended by the comedian and satirist John Bird, back when rail privatisation was still in its fledgling years. He said that the rail operating companies had given up calling people “passengers” because they did not want to give them the idea that they had any intention of taking them anywhere. People served by Southern and Southeastern — my constituents are served by Southeastern — get the impression that nothing at all has changed since. Things have not moved on.

The passenger experience is at the heart of what we should be seeking to achieve in our railways. It is not satisfactory to say that the railways must be a success because so many more people are travelling on them. People travelling on Southern, for example, do so because they have no alternative but to suffer the service they are being offered. After all, there are few alternatives for getting to work other than to suffer that service.
The poor performance of Southern and Southeastern is exacerbated by the development taking place at London Bridge. I commend the railway industry for keeping London Bridge operating while such an incredible feat of engineering is taking place—to add two additional lines through so busy a station while keeping much of it operating is quite an achievement—but that does not excuse the frequency with which my constituents are inconvenienced because the infrastructure has broken down, whether it is a set of points at Charing Cross, London Bridge or Lewisham, as is frequently the case, or a train that is blocking the rail. That is too often the experience of the customer.

Recently, quite late one evening, coming back from the House, I was at Waterloo East and the trains were all delayed—I cannot remember whether it was a train or the points on that occasion. A woman standing next to me shouted across to the central platforms of the station, trying to get some information from the staff about how she could get to the station that she wanted to get to. They were holding their hands to their ears, trying to hear what she was saying, then a train trundled between them and stopped at the platform. The woman sauntered off down the platform and the train left, while the staff kept talking to each other on the other platform. The impression was that the staff were so beaten down by the quality of the service that they had given up making any attempt to assist passengers.

There is something in that about the quality of the customer interface; the interaction of staff and passengers who have been inconvenienced. That needs to be addressed and the Government should hold the train operating companies to account for it. It is not good enough to collect statistics. The companies should train their staff to react and respond to passengers, in particular when the service is disrupted, and they should be readily available to provide prompt advice. Waterloo East station has four platforms, but on that occasion four members of staff were all on the two central platforms. Why were they not deployed to help the customers who needed information? Southeastern needs a rocket under it to provide better information. I have other experiences, which I could go into.

Robert Fiollo: I am enjoying my hon. Friend’s contribution. I wanted to make a point about some of our stations, as I shall very shortly experience the joys of Euston station, to get back to Stoke. Why is it, for example, that we are told only 15 minutes before departure which platform our train to Stoke is to leave from, even though the train has been there for ages? That sort of thing drives people crazy.

Clive Efford: My hon. Friend’s intervention is incredibly timely, because I was about to go on to describe my attempts to get to Stoke-on-Trent on Virgin Trains on 23 February. I was fortunate that I did not take the 10.30 am train as my colleagues had. It had left, but perhaps my hon. Friend the Member for Stretford and Urmston (Kate Green), who is present, only got to Stafford at 8 o’clock in the evening, as my hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook) did. He texted me from there; he had been travelling for more than 10 hours. My train did not leave at all. I sat there for 45 minutes and finally it was cancelled, although that turned out to be fortunate, because I did not end up trapped half way up the country, nowhere near where I wanted to go.

I then tried to claim my ticket back. I know we are going to do an inquiry into this, but it too is part of the passenger experience. As instructed, I went on to the Virgin website to claim my ticket back, but there was no facility to say that my train had been cancelled. I was allowed to say that my train had been delayed, but I was unable to say that it had been cancelled. Every time I pressed the button, I was sent back to the beginning, so I took to Twitter and asked, “Is anyone else having this problem with Virgin rail?” I am sure because I am a Member of Parliament and on the Select Committee, I then got Rolls-Royce treatment—[Interruption.] It was absolutely Rolls-Royce, because Virgin wrote back to me saying, “Dear Joseph”, and that they were sorry about my customer experience. They also sent me half the money and we finally resolved the matter. The point, however, is that the experience should not be like that.

In the report one of the online ticketing companies, Trainline, said that people were uncertain whether they had bought the cheapest ticket, which was a barrier to some people choosing to use rail at all. Which companies make the cost of their product so opaque that it might put customers off, other than one that has a trapped market and people who have no choice but to use that service, no matter how bad it is? We really need to deal with that customer experience.

My last point is about overcrowding and capacity. I go back to Southeastern. The figures in the report show that Southeastern operates an appalling service. It is one of the worst, and it should be thankful for Southern which stops it from being bottom of the customer satisfaction rankings. When we consider that every day so many people in south-east London rely on that surface rail service to get to work, and that there is no alternative but road, we realise what an appalling service it is and what an appalling and disproportionate impact it has on the lives of people from that part of London.

Many people think that the whole of London is served by the underground, but my part of London is well outside the orbit of the underground, and buses from outer south-east London take a devil of a time to get into central London. We rely almost entirely on that commuter rail service, and it is not acceptable that it is such an appalling performer. When we do get on trains, they are overcrowded at peak times because they are not long enough and there are so few alternatives to that rail service.

We have lengthened the platforms, so let us now lengthen the trains. We need to ensure that we have the capacity on Southeastern rail services so that people can get on the trains at peak time. We need 12-car trains serving the metro services in south-east London so that constituents from north Kent and my constituency can get to work comfortably and on time every day. Thank you, Sir Edward, for allowing me to make that contribution.

Sir Edward Leigh (in the Chair): Order. Mr Quince, I was a bit hard on you. If you wish to make a comment now, you may.

Will Quince indicated dissent.
The hon. Member for Cleethorpes gave us an interesting and humorous list of journeys from Cleethorpes to Haverfordwest. I really enjoyed that. I could introduce him to someone I know well who regularly journeys from here in London to north of Dundee. She is an expert on how to get the best deal with split ticketing. However, the whole point is that people should not have to become experts in that area. There should be a way of simply going on to a website and finding the cheapest journey as easily as possible.

The hon. Member for Eltham (Clive Efford) referred to his time on the Select Committee in a former Parliament and was disturbed to find that we are still dealing with the same issues. I know you do not want me to go on for too long, Sir Edward, so I will not do a full summing up of what everyone else said, but, for the Minister’s benefit, yes, there were issues in Scotland over the franchise given to Abellio, but after much consternation among passengers, the Scottish Government brought in an improvement plan and since then things have moved forward. The score for ScotRail on the passenger satisfaction survey was at 83%, which was lower than the previous year, but in the last month or so it has gone back up to about 90%—a number that many companies and commuters in the south-east of England would be delighted to have.

The Scottish Government have put more than £5 billion in an investment programme for the five-year period to 2019. We will open new stations and build new lines. We see that as a way to get a greener Scotland and to increase Scotland’s economic base.

I commend to the House the ten-minute rule Bill that my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—I myself have to read his constituency because it is so vast—introduced in the Chamber only this week. What we really need in Scotland is Network Rail to be devolved. The Scottish Government can take forward many programmes, but ultimately Network Rail is not devolved, which means it does not have full control over the rail network in Scotland.

Sir Edward Leigh (in the Chair): Order. I know the hon. Lady will want to speak to the report.

Marion Fellows: Yes, I shall do—I apologise, Sir Edward. It is important for the Minister to understand that it is possible to improve things and move them forward. As part of the process of making things better on the English railways, if I can put it that way, he may also want to look at taking powers to nationalise them again, as we did in Scotland, so that Government organisations and national organisations could bid for franchises. That happened on the east coast main line, and it ran very well.

Lilian Greenwood (Nottingham South) (Lab): I want to come back to the hon. Lady’s point on further fragmentation of the rail network. How does she feel the passenger experience of travelling on the railways would improve if the management of the infrastructure were further fragmented by having part of it devolved to Scotland, even though many franchises operate in both Scotland and the rest of the UK?

Marion Fellows: I thank the hon. Lady for her intervention. I could speak of a personal constituency issue: there were real difficulties with the electrification
of the Glasgow to Edinburgh line. Transport Scotland was responsible for part of it, but some of the issues were being dealt with down here with Network Rail. That made it difficult to get real accountability. The Scottish Government wanted to be accountable for everything, but they could not be because Network Rail is not devolved. That is why we ask for it to be devolved.

**Marion Fellows:** I see where the hon. Lady is coming from, but no, I would not agree with that; at the moment it is working well. I see no reason why the Scottish Government wanted to be accountable for everything and especially on the Thameslink, Southern and Great Northern franchise, has been “woeful”. It puts that down to “inadequate planning, weaknesses in the franchise handover process, infrastructure and rolling stock failures, mismanagement, poor industrial relations”.

The report states that the Department for Transport must “get a grip”. It actually says that, and I think anyone who has ever travelled on that franchise would agree. I recently took a journey on that franchise. I am from the north-east and do not normally travel on Southern, but I thought I should experience these things if I was to talk about them, so I did. I travelled down to Brighton and came back in the rush hour, and it was absolute hell; it beggars belief that people have to pay enormous amounts of money to endure that daily hell.

In the light of the report, the Department for Transport can no longer claim that no operator could do a better job than TSGN; in fact, it is hard to see how any operator could do a worse job. However, the whole blame does not rest solely with that train operating company. A lack of transparency over performance against contractual obligations is down to the Department for Transport. A lack of publicly available data for monitoring is down to the Department for Transport. A woefully inadequate franchise, including lack of proper information at the time of the bidding process, is down to the Department for Transport.

Even, as we have heard, the lack of drivers at the start of the franchise is down to the Department for Transport in part. Anyone who has ever run a company, public organisation or any kind of organisation knows that there will be significant staff wastage at a point of change, including in a handover period. Staff will take the opportunity to move on to other companies or jobs or to retire. Anyone who does not take account of that is quite frankly negligent. I think that is down to the Department as well as the train operating company. The failure to address that demonstrates a gross lack of knowledge or experience, insufficient due diligence or a lack of care on behalf of both the Department and the franchise—or probably a combination of all of those factors.

Current and deteriorating industrial relations issues clearly have a part to play in this. The Committee is absolutely right to point out that those disputes can ultimately be resolved only through negotiation between Govia Thameslink Railway and the National Union of Rail, Maritime and Transport Workers. However, given the Department for Transport’s unusually direct involvement in that franchise, it should take greater responsibility for fostering productive negotiations. The Secretary of State’s current Pontius Pilate-like handling of this is
simply not good enough; this is the Government’s business and the Secretary of State has to get involved, not least to stop the dispute from spreading any further. He owes that to passengers. The dispute is not insolvable. The Government need to get the parties together and take a lead. The alternative is that it spreads across the country, as we are beginning to see now, with more and more franchises and passengers becoming involved.

We have heard a lot about Scottish rail and all its difficulties, which I accept entirely. There was a ten-minute rule Bill yesterday about handing over Network Rail to the Scottish Government; given that they have done such a cracking job of everything else that has been delegated to them, as somebody who lives on the east coast I think it would be an act of negligence for the Government to do so. However, I have to give credit where it is due, even though I dislike doing so: this dispute has been solved in Scotland. The roof did not cave in and the world did not come to an end; it was simply solved. If they can solve it in Scotland, we can solve it here. It needs some Government will and a bit of heavy lifting on all sides.

The Minister will expect me to say something on recommendation five of the report and the impact of driver-only operation on disabled people’s access—particularly in relation to “turn up and go”. The Committee asks for research to be undertaken into the potential impact of DOO on disabled passengers and for the Department to use that research to issue guidance to train operating companies to help them mitigate potential detrimental effects on disabled passengers; in other words, to make the reasonable adjustments they need to make under the law. That is reasonable and is the very least the Government could do.

Before I came to this place, I worked with disabled young people in education. I know how hard their lives are, and while I was not always able to give them everything that they wanted, I spent a great deal of time trying to give them what they needed. I know that a great deal can be done to mitigate detrimental effects with technology and through equipment, but ultimately, my experience is that it always comes down to the intervention of people. To pretend otherwise is simply disingenuous. Providing more accessible trains and tickets is good. Providing audible and visual displays is good. Providing an ombudsman is good, although disabled passengers tell me that they do not want an ombudsman who will bung them a few quid a year or several months after an event. They want to be able to travel, as we all do, when they need to and with dignity, and unless the Department for Transport or the train operating companies demonstrate to them otherwise, that will mean a person other than the driver on the train or the platform to assist them.

I have always thought that the role of Government is to ensure that as we move forward no one is left behind. Frankly, if Government do not believe in that, they do not have a right to call themselves a Government; they are nothing other than a special interest group. Disabled passengers are not asking a great deal. They simply want to be able to travel when they need to, and with dignity, and that requires people.

The strength of this report is that it is not about the Department for Transport, the train operating companies or Network Rail but about the passengers, who are currently being woefully let down. I thank the Select Committee for that.

2.40 pm

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the Chairman of the Select Committee, the hon. Member for Liverpool, Riverside (Mrs Ellman), on securing the debate, and all the Committee members who have attended it as well as the other hon. Members who have participated in it.

I am pleased that the hon. Member for Motherwell and Wishaw (Marion Fellows) has, to her surprise, enjoyed the debate. Let me warn her to be careful: rail is a very seductive and addictive issue. Transport was my first Select Committee, and look what has happened to me. I put it down to the good stewardship of its Chairman that I am where I am today, so the hon. Member for Motherwell and Wishaw should watch out for what might occur, either here or in Edinburgh—who knows?

I thank the Select Committee for its report, which is of the usual high standard. As has been suggested, I take these reports very seriously indeed. I know how much work goes into compiling them, cross-examining witnesses and drawing sensible conclusions, so I never take any report such as this lightly.

Much of the report came from an evidence session that I did on, I think, day three of being in my current role. I was a little petrified, to say the least, but the report reflects what I said, and I stand by every word of it. However, since that appearance, my knowledge has developed a bit—thank goodness—and of course the circumstances that we are addressing on the railways have changed. I want to use this opportunity to discuss some of the recommendations in the report, as well as the points made today by my hon. Friend the Member for Cleethorpes (Martin Vickers), the hon. Member for Eltham (Clive Efford) and the Opposition Front-Bench spokesman, the hon. Member for North West Durham (Pat Glass).

One important point made—by the hon. Member for North West Durham, I think—was that actions speak louder than words. We can all agree to specific points in reports and so on, but what matters is actions. Ticketing reform is a good case study for that. I remember when we looked at ticketing reform in the Select Committee—I think that was in 2012. There was a big, thick, wodgy Government document—I think it was about 200 pages in two sections—with everything that they were going to do to reform ticketing and make it all work fine on behalf of the consumer. Nothing ever happened with that. I got it out soon after my appointment as a Minister and reread it, thinking: “Maybe there are some clues in here.” And I thought, “Well, I’m not going to repeat that mistake.”

In my first week as Minister, there was a significant news story about split ticketing on the front page of The Times. I immediately sat down with my officials and said, “Right. Passenger experience has to be the key issue that we focus on,” and everyone said, “Okay, how do we define passenger experience?”, because in a sense, as we have heard today, it means everything.

Passenger experience is every single interaction between a customer who wants to travel by train and the train operators. It is quite hard to segment down, but segment a customer who wants to travel by train and the train operators. It is quite hard to segment down, but segment
I wanted quite specific itemised actions, with a delivery date—because delivery dates are often quite rare in these action plans—that we could hold the industry and, indeed, the Department to account on. As the Minister, I could then start to measure whether we were achieving those goals.

Just this week, for example, I was pleased to note that the Rail Delivery Group has changed its rules on how those who leave their railcards at home are compensated. Gradually, slowly but surely, the ticketing action plan is coming into effect; that is happening as rapidly as possible. I find that all too often the greatest hurdles relate to system change—programming the computers and ensuring that each computer can speak to every other computer, so that we can then get the outcomes we want.

A large number of comments today and, indeed, the bulk of this report, focused on the issues involving GTR. I know that the Select Committee has taken a close interest in that matter, so I want to try to address it. It will come as no surprise to those gathered here today when I say that the performance of GTR is not good enough. It continues to be not good enough; I continue to be dissatisfied. I expect GTR to run a timely, reliable and predictable service for passengers, but I will only ever look at changes to that franchise arrangement if that delivers an improvement on behalf of passengers and is not merely for the sake of structural change.

The report highlighted the fact that we did not wholly accept the case that someone might do a better job. I entirely accept, philosophically, that yes, someone one day might be able to do a better job. My concern at the moment is to ensure that there is not a severe deterioration in provision because of yet another handover in franchise operator. We need to evolve this franchise into a much better place.

Pat Glass: I understand that, but where is the point at which the Minister says, “This far and no more. We cannot any longer carry on with a franchise that is failing again and again”?  

Paul Maynard: The hon. Lady makes a fair point. I do not think that it is for me as a Minister to say that there is a specific target that must be hit. What I expect GTR to be doing on a regular basis is seeking to improve performance, and I will talk the hon. Lady through what I expect GTR to do.

The punctuality of services operated by GTR was at 73.1% over the 12 months to 4 March 2017. That compares significantly unfavourably with the London and south-east average of 85.2%. No one can pretend that it is anything other than simply unacceptable. It is despite the establishment of joint industry recovery plans. None the less, we are doing everything we can to improve the situation.

The Chairman of the Select Committee rightly raised the issue of force majeure. This has been one of my bugbears as Minister for many months now. Indeed, my enthusiasm for solving it rather overcame established procedure in terms of how we go about that. I am pleased to report to hon. Members that we have now completed assessing six full periods of GTR’s performance.

The quality of the data has significantly improved, allowing us to make swifter judgments, but because what we are discussing is a contractual obligation, GTR has the right, if it disagrees with the Department’s findings, to challenge those findings. That is what we are still stuck in at the moment. I aspire to bring that to a conclusion as rapidly as possible. I share the undoubted enthusiasm of the hon. Member for Liverpool, Riverside for putting that particular aspect of GTR’s performance behind us, but sadly I am not yet in a position to do that.

None the less, I am still trying to get Network Rail and the train operators to improve their focus on industry performance outputs. They are concentrating on three key workstreams to deliver improvements across the south-east. The first is the 2018 timetable specification, which will be crucial to increasing capacity across the south-east. The second is a back-to-basics approach—ensuring that trains are on time and correct processes are being followed and, in particular, focusing on the peaks in the morning and evening. We have found time and again that when something goes wrong on this network, what is called the perturbation and the consequential delays are significant.

I remember that in my first week, we had a sinkhole at Forest Hill—it no doubt delayed the hon. Member for Eltham on his way back to his constituency. That was an example of how something that simply could not be expected caused significant delays. It is really important that both the train operator and Network Rail work much more closely together to ensure that they recover from these problems when they occur, rather than allowing them to cascade throughout the timetable.

That is why it is important that the Department as a whole works with all the industry stakeholders to find new ways to measure performance that are more closely aligned with what passengers themselves experience day to day. That is why we are looking at improving our measurement of what is called right-time departure and right-time arrival. A passenger judges whether a train is on time by whether it arrives at the time said in timetable, and not within five to 10 minutes. Right-time departure is going to be a much more important figure in years to come, rather than the old-style public performance measure. I want to bring that change in as part of control period 6.

We also want to make sure that, as the hon. Member for North West Durham mentioned, there is much greater industry transparency on train service performance levels across franchises. I am absolutely committed to a much greater degree of transparency; none the less, it is a difficult process to engineer—if only because every single franchise has a slightly different set of measurements, which are contractual obligations in respect of the individual train operating company. That work is ongoing within the Department; it cannot come soon enough, in my view. I hope to make announcements in due course—as we always say in civil service purline—and am very eager that we keep the pace going on it.

Many Members mentioned whether the company had a full complement of drivers on day one when they took over the franchise. I was not the Minister at the time, but I understand that part of the problem was that when the deal was announced it said it did have enough drivers, but, when it came to mobilisation day, some of those drivers had left to work in the freight sector. It is
entirely right and proper that we express concerns as to how that gap occurred between those two points, but we need to take a wider look at driver recruitment across the industry as a whole.

We all know that there are skills issues across the rail sector. We have an ageing workforce and a large number of workers who are about to retire. Are we doing everything we can to make sure that we are recruiting enough drivers, that driver training is an efficient process and people have the option of going through driver training themselves—as HGV drivers do—to seek employment somewhere else? Are we making full use of all the training facilities that we now have around the country, which I am sure the Select Committee has visited? We are in close talks with the Rail Delivery Group about how we can improve driver training as a whole to improve the throughput, make sure it meets the needs in the here and now and get the numbers we need.

Many have mentioned the industrial relations problems currently on the network. I am as frustrated as everybody else at seeing yet more RMT strikes this week, but it is clear that they are now having very little impact on the network. Last Monday, 90.5% of Southern services ran. Any strike is frustrating for passengers, but I say to the RMT, “Your strikes on Southern are not having the impact you desire. It is far better that you cease industrial action and have talks with the company, rather than persisting with the strikes.”

**Pat Glass:** I am somewhat concerned about the complacency of that statement. Industrial action is spreading—as we heard, it is now in Merseyrail and Northern—and if the Government do not take action, it will spread right across the country.

**Paul Maynard:** I take the hon. Lady’s point that it is spreading, but we remain open to talking to the RMT if it calls off its industrial action. That is the blockage that stops it from having a discussion with the Government and the various train operating companies. Nobody is losing their job; nobody is losing any pay. The independent regulator has found that the system on Southern can be safe, and GTR is taking all necessary action to ensure that it is delivered safely. I welcome yesterday’s renewed agreement between ASLEF and GTR. I gather it will now go to a ballot of ASLEF members; I hope that they endorse it, and that it then ensures we can focus on delivering improved services across the Southern network.

We are working to improve the service for GTR customers and improve compensation measures. Overall, “delay repay” payments totalled £3.2 million in the last period, of which £175,000 were “delay repay 15%”. We have also launched our special one-off form of compensation, the equivalent of a month’s free travel, for all Southern season ticket holders. GTR has handled almost 37,000 special claims in that regard, totalling £8.84 million in compensation. The scheme closes on 30 April 2017, and we continue to advertise it—as does GTR—in the media, on posters at all Southern stations, on electronic billboards, in customer service announcements and on Twitter.

Please be assured that I stay in touch with the situation by having regular meetings with GTR’s chief executive officer and chief operating officer to discuss all the issues. They include compensation and the implementation and progress of all the Government-funded schemes under both the £20 million that was initially given out, and the current £300 million that will go on improving the Balcombe tunnel, removing vegetation and ensuring greater reliability.

I have five minutes remaining. As ever, how can one discuss everything about rail in the time allowed? Indeed, it is even less than that because I have to give the Select Committee Chairman a chance to have her say. I will briefly deal with accessibility, which is a mutual concern for both myself and the Labour party spokesman, the hon. Member for North West Durham.

It goes without saying that we want everybody to have equal access to transport. We have committed more than £400 million through Access for All funding and other means to improve accessibility, and train companies have to comply with the Equality Act 2010. However, I think the real picture is the fact that more and more disabled people are seeking to travel by train. The challenge for the train operating companies is getting harder with every passing month.

In the past year, we have seen 4% more sales of the disabled persons railcard and 7% more bookings under the passenger assist scheme. With more disabled people travelling, train operating companies have an ever decreasing margin for getting it wrong. I welcome the fact that the Rail Delivery Group is trying to merge the ticket reservation system and the passenger assist reservation system by December 2018, although I query whether that is soon enough and whether it could do more to bring that forward.

I remind all train operating companies that they must ensure that procedures are in place to enable disabled passengers and persons of reduced mobility to board a train in service that is under the sole operation of the driver. Where that occurs, I want to see a second person on board or on the platform to render help to those passengers who need it most. The key difference is that I do not believe that that person should be a safety-critical person. I do not think it is acceptable to have a situation where a train is cancelled and a disabled passenger cannot depart the station in the first place because there is not a second person on that train. It is fair to say that that is a small difference between myself and the hon. Lady.

Regardless of whether such assistance has been pre-booked, the principle of a “turn up and go” railway is important and must become more important in the future. It will include the requirement for all train operating companies to provide appropriately trained staff to meet their obligations. I see that as meaning more staff required on the railways, and more passenger-facing staff—not locked behind a door focusing on buttons—engaging with passengers on a regular basis. In addition, if a disabled passenger is unable to access a station, the operator must provide alternative transport—usually an accessible taxi. That will require much more cross-Government work to ensure that we have a greater supply of accessible taxis.

I am conscious that the Chairman of the Select Committee needs to say a few final words, so I shall leave my remarks there.

2.58 pm

**Mrs Ellman:** I thank the Committee and hon. Members present for their valuable contributions. The Minister clearly has an understanding of these issues, and I like
to think that he received his training when he was a member of the Transport Committee in previous years.

Paul Maynard: Yes, I did.

Mrs Ellman: The Minister spoke about the importance of having a delivery date. It is vital that we have an early delivery date for the improvement of the passenger experience, and I assure him that we will continue to pursue that aim.

Question put and agreed to.

Resolved,

That this House has considered the Sixth Report from the Transport Committee of Session 2016-17, The future of rail: Improving the rail passenger experience, HC 64, and the Government Response, HC 905.

Jobcentre Plus Office Closures

Chris Stephens (Glasgow South West) (SNP): I beg to move,

That this House has considered Jobcentre Plus office closures.

It is a pleasure to serve under your chairmanship, Mr Walker, and I thank the Backbench Business Committee for granting this debate, for which there is cross-party support. With the exception of an urgent question, this is the first time that the House has managed to debate this issue since the announcement of UK-wide office closures. This is an opportunity for hon. Members to represent their constituents and to discuss the effects that the office closures will have on their constituencies. As has been indicated, there is widespread disquiet about the impact that the jobcentre closures will have. I will keep my opening remarks brief to allow hon. Members with closures in their constituencies the opportunity to inform us all of the local impacts on their constituents and communities.

The House is rightly exercised—as are many hon. Members—by the haphazard nature of the closures and the lack of evidence or rationale to support them, other than that they will save money in the short term. The lack of an adequate equality impact assessment is particularly damning. The closures have been presented by the Government as a straightforward process of rationalising the estate—that is, as sensible, considered and thought through in great detail. I would suggest otherwise, however. Far from this being a planned process to make the most of the expiry of contracts to improve services and locate them where they are needed most, it is a cost-cutting, penny-pinching cuts programme being done with poor to non-existent consideration of local conditions.

Instead of consulting appropriately with local partners and seeking to co-locate with other services to improve the effectiveness of Jobcentre Plus services, the Government have embarked upon a Google Maps, back-of-an-envelope exercise, based on achieving a targeted percentage of closures—10% overall, but 50% in Glasgow, as I am sure we will hear. Instead of enabling jobseekers to easily access other services—such as support with housing, childcare, debt management and health conditions—to help them to overcome their barriers to work, the Government have started with the basic premise of how many offices they can close and then worked backwards.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on securing the debate. For the record, we should remember that at least 30,000 people have lost their jobs in the civil service, and this is part of that. He spoke about the increasing workload. Citizens advice bureaus have reported that their workloads have gone up by 88%, in particular because of personal independence payment claims. Tile Hill jobcentre in my constituency is being closed, so people will have to walk miles or get buses. Importantly, a lot of them suffer from disabilities, so they will be at a disadvantage.
Chris Stephens: The hon. Gentleman is right to say that there have been 30,000 job losses in the civil service. As I will point out there will be more in relation to this particular exercise, as the Government admitted in written answers to me. He is also correct about the lack of an equality impact assessment, which I will also mention.

This is a deeply flawed process, tainted by the lack of consultation with local community planning partners. In Glasgow, the Department for Work and Pensions is meant to be a key player in the process, but the closures were announced without consultation, and that is about as far from a “One Glasgow” approach as we can get. Nor to the closures do anything to support a locally agreed priority of youth employment.

Instead of respecting the terms of the Smith agreement, the UK Government announced the closures without any advance consultation with the communities that will be affected and in so doing bypassed the Scottish Government. Paragraph 58 of the Smith Commission report states:

“As the single face-to-face channel for citizens to access all benefits delivered by DWP, Jobcentre Plus will remain reserved. However, the UK and Scottish Government will identify ways to further link services through methods such as co-location wherever possible and establish more formal mechanisms to govern the Jobcentre Plus network in Scotland.”

Ministers have had to publicly admit, including in a written answer to me, that they expect at least 750 DWP staff to lose their jobs and they have refused to rule out compulsory redundancies. Jobs will disappear through this process, not only directly but indirectly. That will be less visible in cities, where jobs in call centres, delivery companies and coffee shops have replaced the thousands of admin and clerical posts that have been cut year on year for longer than I can remember. Every public sector office closure leads to money being taken out of the local economy and reduces the opportunities for young people to build a career, instead of just holding down a job. The impact on smaller cities and towns should not be underestimated. For some communities it is the equivalent of a Ravenscraig or a Linwood. Local traders are affected, small businesses fold, young people move away if they can and the local economy declines.

Finally, I want to highlight the link between the push to digital services and office closures, when it becomes much more difficult to find a person to talk to in a public office. I have spoken recently about the unfair telephone tax, where the most vulnerable are hit with call charges for contacting the DWP and other government services. The DWP is a long way from being digital by default. A vicious circle is emerging, whereby access to advice and support is being blocked to those who need it most. Every Member here can testify that our offices are now providing more and more of that support to citizens, and the Government will identify ways to further link services through methods such as co-location wherever possible and establish more formal mechanisms to govern the Jobcentre Plus network in Scotland.”

I know that the DWP is exploring taking up some space in a council-owned building called Eros House. I ask the Minister to do everything he can to ensure that the local presence of the DWP is able to pursue that option. It is no good sending people down to Bromley from Lewisham or trying to run those services from a constrained site in Forest Hill. It is vital that we can have that easily accessible location at Eros House in Catford.

Let me take a minute to reflect on how we got here. The lease arrangements for the DWP have been in place for 30 years and they are coming to an end. For the last six months an agent has been looking to secure space in a central Lewisham location, but has been unable to find any. I do not know whether the process should have started sooner, so that consideration could have been given to the new developments in the borough of Lewisham to ensure that appropriate space could be found. We find ourselves in this situation partly because of the Government’s changes to permitted development rights and the planning system in the last few years. The owner of the building that the jobcentre is currently located in has decided to convert that office building to residential under permitted development rights, and there is a real problem sourcing office space in central locations, particularly in London.

I am concerned about the impact on people who rely on the jobcentre to access the help, advice and support that the hon. Member for Glasgow South West talked about. As politicians, we spend a lot of time talking about how much money is paid to individuals in benefit and less time on exactly what support is provided to people need to be able to get to that help and support easily. I know that the consultation process and equality impact assessment might not kick in for some jobcentres in London because of the issue of being within 20 minutes to the next jobcentre, but anyone who has sat on a bus over the south circular in south London trying to get from one place to the next will realise that 20 minutes in theory is not always 20 minutes in practice.

I agree entirely with what the hon. Gentleman said about the move to digital services. Some of the people in my constituency who use the jobcentre frequently
will want to see somebody face to face. At my own advice surgeries every fortnight I see between 25 and 40 people, which is testament to the fact that people want to speak to somebody directly.

We need to provide tailored support to individuals trying to get back into work. I was interested to read an article in the *Evening Standard* on 31 January by the Secretary of State for Work and Pensions about the disability unemployment rate in London, in which he wrote:

“The gap between the number of disabled people in work compared with the employment rate of non-disabled people in London is around 28 percentage points—a figure that is frankly unacceptable in 2017.”

I agree with the Secretary of State about that, but it is a bit rich for him then to say:

“We’re building a locally-based system that works with businesses in the area and can offer people intense support”.

I think that is a bit rich, because in London the DWP is proposing to close one in three jobcentres: 22 of the capital’s 73 existing jobcentres. Of the 22 that are closing, 15 are located in boroughs with a higher than average claimant count, and, as we know, London has a higher than average claimant count than the country as a whole.

I am also concerned that the rate of unemployment among young people, the disabled and those from black and minority ethnic communities is higher in London than the national average. In fact, Office for National Statistics data from last September showed that BME unemployment in London stood at 9%, Ministers should review the criteria they use to determine the closures.

**Stephen Timms** (East Ham) (Lab): I am listening with great interest to the case that my hon. Friend is making. I am concerned about the prospects for employment and in professional services industry and in professional services constituency, we are heavily dependent on jobs in the years. I detect some complacency among Ministers think about what might happen over the next couple of years. I am also concerned that the rate of unemployment among young people, the disabled and those from black and minority ethnic communities is higher in London than the national average.

**Heidi Alexander**: I entirely agree with my right hon. Friend, who has huge expertise and experience in this area. Ministers need to review the criteria that they use to determine which closures are subject to full public consultation processes. We have not yet seen an equality impact assessment of the closures, which is absolutely critical in a London context, for the reasons that I have set out.

I urge the Minister to have an eye to the future as opposed to the past. The Government might put themselves on the back over employment rates—we could have a discussion another time about the nature of the employment that has been created in recent years—but they need to think about what might happen over the next couple of years. I detect some complacency among Ministers about Brexit and its economic consequences. In my constituency, we are heavily dependent on jobs in the financial services industry and in professional services that support industry such as cleaning, security and employment agencies. Some of my low-paid constituents work in retail and hospitality.

I am concerned about the prospects for employment should we see the movement of financial services from London to other cities in Europe. If we are likely to see an increasing caseload in jobcentres, allied to the issues that my right hon. Friend the Member for East Ham (Stephen Timms) has set out about how individuals’ interaction with jobcentres is changing, then the Government’s proposal is short-sighted and could have serious long-term consequences for people’s ability to get back into employment. I ask the Minister to review the closures across London and to look in detail at what provision can be made in central Lewisham for my own jobcentre.

**Ronnie Cowan** (Inverclyde) (SNP): It is a pleasure to serve under your chairmanship, Mr Walker. I certainly welcome the opportunity to speak in today’s debate, not least because it is the only time that anyone from Inverclyde will be afforded the opportunity to have a say on the proposed closure of the Port Glasgow jobcentre.

As the Minister will already be aware, the decision to close one of my constituency’s two jobcentres was not put out to consultation because the distance between the Greenock and Port Glasgow jobcentres is less than three miles. By my reckoning it is 2.6 miles between the two buildings as the crow flies, and 2.84 miles if one measures the actual route that one would need to take along the road network. For the sake of an additional 250 metres it is hard to understand why the UK Government would not consult on this decision so that service users could outline how the changes affect them.

Or maybe the UK Government simply do not care what service users think, otherwise the obvious course of action would have been to undertake a consultation on all closures. By setting up the consultation criteria in the way that they have, the UK Government have manufactured the result they wanted: namely, only 30 jobcentres out of the 183 affected by the changes will be subject to consultation. We all know that the reality of this situation is that the closure decision has absolutely nothing to do with providing a Government service. Rather, it is part of the UK Government’s goal of selling £4.5 billion-worth of Government land and property by 2020-21.

Over the course of the previous Parliament, the DWP estate shrunk by 17%, with the Government intent on reducing the size by a further 20%. I fully appreciate the need for any Government to spend public funds wisely, but the decision to slash the number of jobcentres will most definitely have a negative impact on my constituents.

The most obvious consideration is the additional travel costs that service users will face in getting to their appointments. This will barely register as small change to somebody directly.

Constituents will also be burdened with increased travel times, which in turn puts them at an increased risk of being sanctioned under the DWP’s draconian and uncompromising rules. Again, the Minister may say, “It’s only three miles’ difference. What’s the big deal?”

One issue that may have been identified had a local consultation taken place is that the only main road between Greenock and Port Glasgow is liable to flooding at certain times of the year. It may block traffic once or
twice a year, but one missed appointment is all it takes to be sanctioned. I want to say that I support the staff of the Port Glasgow jobcentre, who are fulfilling their support roles as best they can with the guidance handed to them from ministerial level. I am aware that they have their own reservations about the closure and how it will affect their clients. In the words of Mark Serwotka, the General Secretary of the Public and Commercial Services Union:

“Jobcentres provide a lifeline for unemployed people and forcing them to travel further is not only unfair, it undermines support to get them back to work.”

A report from the Disability Benefits Consortium found that 93% of respondents to a survey of service users thought that the process for applying for PIP was stressful; 80% experienced difficulties in completing the claim form, while 82% felt that the application process had a negative impact on their health. Will Minister explain how closing one of my constituency’s two jobcentres will improve that experience for service users?

We can highlight the lack of consultation and the specific practical issues surrounding this closure. My fear, however, is that the issue highlights, once again, a more general problem—the UK Government’s complete lack of compassion or genuine concern for vulnerable people. Instead they pursue spreadsheet politics where the only thing that matters is the bottom line.

I hope that the debate will not conclude with a meaningless regurgitation of the Government’s policy. At the very least the Minister should have the intellectual honesty to come to the Chamber and admit that the experience of service users is not a consideration in the closure decision. My constituents deserve that. I support the calls for closures to be suspended until a wider consultation is conducted, so that we can properly assess the impact of the decision on all our constituents.

3.21 pm

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is an honour to serve under your chairmanship, Mr Walker. I thank my hon. Friend the Member for Glasgow South West (Chris Stephens) for securing today’s important debate through the Backbench Business Committee. I also thank all those who supported the application, and the Members who are participating today.

We are back again: this is the third full debate on the issue in which I have participated. I am rather disappointed that many of the questions and points raised in the first two are yet to be addressed by the Department for Work and Pensions. Parliamentary questions tabled by me and my colleagues have received poor-quality answers. At least one thing can be said of the Department: it is consistent in its handling of the matter. Right from the start, it has been a shambles. As we have heard, after the news broke in the press that half Glasgow’s jobcentres were to be axed, it took seven hours for the Department to write to the affected MPs and inform us. It did not see fit to inform us or even consult us; nor did it bother to write to the affected MPs and inform us. It did not start, it has been a shambles. As we have heard, after the debate for the jobcentre closures in Glasgow before the information was made public. Why were neither the devolved Administration at Holyrood nor the Scotland Office made aware of DWP plans? Was it arrogance or ignorance that led the DWP to act in such a cavalier fashion, with such disregard for those alongside whom it is supposed to be working constructively? I will be kind and say it was ignorance of the needs of the people of Scotland.

The Department will have to listen to the views of those who rely on the services, and meet the needs of the people of Scotland. It needs to understand that the impact of the closures is part of an intricate local picture. I wonder whether the Minister knows, for instance, of the issues affecting Cambuslang in my constituency, where the Main Street jobcentre is due to close next year. Is the Department aware that Royal Bank of Scotland closed its doors there just months ago, that local traders have subsequently suffered a reported 30% drop in footfall, or that the two remaining banks, TSB and Clydesdale, have announced that they too are close in the coming months? Has it considered at all the cumulative impact that those closures will have along with the closure of a major resource such as the jobcentre? I am guessing the answer to all of those questions is no. Perhaps if Ministers had bothered to consult me, they would be better informed.

The Department will have seriously to make up for its former ignorance by consulting service users, local stakeholders—such as the local Church of Scotland minister Neil Glover, who has spoken out against the jobcentre closure and described it as a moral issue—and elected representatives, and by working with the Scottish Government. Scottish Employability and Training Minister Jamie Hepburn has written to and met Ministers from the Department, not only to express grave concerns but to seek clarity on the issue. He has requested that UK Ministers meet benefit recipients and others from the communities that will be affected by the proposals.

It is vital that the UK Government should consult properly and consider all options, including co-location opportunities. The Scottish Government are proactively exploring opportunities to co-locate jobcentre services with local partners to ease the impact on individuals and communities. The Department should do likewise, and ensure that the Scottish Government are fully engaged with the process.

As I have said, this is the third debate on the subject. It is frustrating that we have to bring up the same issues again. I ask the Minister today to take seriously the points that have been raised—I shall go further, and ask for a guarantee that the jobcentre in Cambuslang will not close its doors. If he decides that it should, at the very least we need a presence in Cambuslang to ensure that claimants will not have to travel further, with increased travel costs, all the way to Rutherglen. My constituents deserve better than the approach taken by the UK Government so far.
Louise Haigh (Sheffield, Heeley) (Lab): It is a pleasure to serve under your chairmanship, Mr Walker. I, too, offer thanks and congratulations to the hon. Member for Glasgow South West (Chris Stephens).

When I first saw the announcement about the closure of the Eastern Avenue jobcentre in my constituency I was relatively agnostic about it. Given that there were to be no compulsory redundancies and it is a relatively short distance into town, I did not think it would be that much of a problem. If the Government could make a case that centres needed to be closed and services improved in certain areas, I was prepared to listen to it. However, having read the further announcement, followed the plan’s progress and, as the hon. Member for Rotherham and Hamilton West (Margaret Ferrier) said, participated in several debates, I have been horrified that no justification has been given for the decisions at all. None of the work—the assessments or gathering and publication of evidence—that one would expect ahead of a decision of this kind has been done; no such work informed the pitiful consultation process that has taken place so far.

It is claimed on the Government website that the decisions are due to the claimant count reducing and the number of digital interactions increasing, and the fact that 20% of the DWP estate is underutilised. To take those one by one, it may be the case that the claimant count is falling, but I do not think that anyone could tell jobcentre staff anywhere in the UK that their workload has reduced in the past seven years and is likely to continue to reduce—not least because of the roll-out of universal credit, which is incredibly complex. As has been mentioned, universal credit will require more interactions than in the past, including face-to-face interactions. For the first time, working people will have to attend interviews at jobcentres; and from April lone parents will be obliged to see work coaches once their child reaches three years old, rather than five, which is the current threshold. It is highly unlikely that interactions and workload will fall in the coming years.

As to digital interactions, the ward in which Eastern Avenue jobcentre is to close is one of the most deprived in the country; 74% of people there are in the 10% most deprived in the country. Many of them do not use the internet at all, let alone have the capacity to apply online—there are very high levels of digital exclusion. Ironically, the council is currently doing some work on digital inclusion, commissioned by the DWP, around Eastern Avenue jobcentre; that work will have to be halted. Again, there does not seem to have been any recognition or cognisance of the impact that the cuts will have on that work.

Whether or not the estate is underutilised at Eastern Avenue—or indeed at Cavendish Court, where the Government are expecting claimants to move to—is open to question. I have been to both jobcentres and there certainly does not seem to be any underutilised space—Cavendish Court in particular is bursting at the seams—but we do not know, because the Government have not published any of the evidence and do not seem to have done any of the work behind it. I met the manager for my region, North, East Yorkshire and the Humber, after the Minister advised me that that was the best way to proceed. It was not her fault, but I am afraid the manager had absolutely nothing to add to what the Government had already published.

As other Members have said, there has clearly been no equality impact assessment. Nor has there been any assessment of how many employment and support allowance or income support claimants are currently using Eastern Avenue and will therefore now have to go to the city centre. The Government do not know how many claimants the closure is going to affect, which is basic information that we would expect to inform the consultation process. There was no information on how much the Government would save by closing Eastern Avenue. That is important, because the regional manager admitted that money would have to be spent on the city centre jobcentre to increase its capacity and accommodate all the extra claimants, so we do not know whether the closure will actually save the taxpayer a single penny.

No plans have been put in place and no work has been done on whether claimants who currently come under Woodhouse jobcentre, but are looked after by Eastern Avenue if they need group sessions or screened appointments, can be accommodated by Cavendish Court, or whether more money will have to be spent to develop the space at Woodhouse to conduct those sessions. Eastern Avenue currently conducts 17 screened appointments a week. That is a considerable amount of time to dedicate to claimants, and we have absolutely no idea whether Cavendish Court can accommodate them.

There was a paltry four-week consultation, although we were lucky to get even that in Sheffield; as we have heard today, many jobcentres throughout the country did not. The Government have treated Parliament and, worse, the public with disdain by refusing to justify their decision and publish the evidential basis behind it. How can Ministers possibly ask us to support the decision if the information is not available? Now that the consultation has closed, before the Government publish their final decision I ask the Minister to publish the DWP’s people and estates programme and any of the other impact assessments that were presumably conducted internally. I really hope that the Government have not taken the approach, which they seem to have taken in the past, of just pointing to jobcentres on Google Maps and deciding, seemingly haphazardly and arbitrarily, which centres to close.

I particularly want to press the Minister on why the Government have rowed back on their original commitment not to close jobcentres in particularly deprived areas. Finally, I urge him not to rely solely on Google Maps for travel times, as he recently admitted to doing in answer to a written question from me. [Interruption.] He is looking confused, but he confirmed to me that his Department used Google Maps for travel times.

The Minister for Employment (Damian Hinds): As one of the methods.

Louise Haigh: Yes. The Department’s introduction to the announcement confidently asserted that the travel time between Eastern Avenue and the city centre would be 24 minutes. That analysis was based on Google Maps. A claimant who currently goes to Eastern Avenue did a travel journal for me of his journeys from Eastern Avenue to Cavendish Court on eight separate occasions, and not one of them took 24 minutes. The average journey time between the two jobcentres is 44 minutes.
Chris Stephens: The hon. Lady is giving some fascinating facts. Does she know that the exercise with Google Maps in Glasgow used information based on bus services that are no longer operational?

Louise Haigh: That is another interesting point that shows the problems with using Google Maps without consulting the local authority or the local passenger transport executive, as any rational person would expect the Government to do. On average, the journey between Eastern Avenue and the city centre takes 44 minutes. The maximum time it took Antony was 63 minutes.

There is clear consensus today that the evidence base and the impact assessments need to be published before the final decision is made. I would really like the Minister to reflect today on the long-term impact of removing a respected community service from incredibly deprived areas—Arbourthorne and Manor Top are some of the most deprived in the country—that have relied on them for so long.

Mr Charles Walker (in the Chair): The three Front-Bench speakers need about eight minutes each, and I want to leave two minutes for the mover of the motion to wind up.

3.35 pm

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to serve under your chairmanship, Mr Walker. I thank my hon. Friend the Member for Glasgow South West (Chris Stephens) for securing the debate, and all right hon. and hon. Members who contributed.

It is vital that we stand up for workers’ rights in these times of austerity. It is critical that the Government engage with unions in a meaningful way and include them in the determination and resolution of any appropriate issues such as office closures. My hon. Friends have covered the lack of interface with the Scottish Government; their points were well made and I will not repeat them. My constituency of Coatbridge, Chryston and Bellshill is affected by the cuts to jobcentre locations, as are the constituencies of many other Members present. I commend them for their attendance; appropriately, given the debate’s cross-party nature, we have adopted a collective response.

Coatbridge is a local DWP back office that employs about 250 people and is facing closure as a result of these cuts. I have been in contact with union representatives about the closure since the announcement was made and I recently attended the annual general meeting of the local branch of the Public and Commercial Services Union to discuss the impact of the closure on its members and on the local community. I was particularly concerned to be informed by the union that the DWP’s announcement was made without any consultation with the workers or the union at all. The DWP did not inform me of the lack of consultation when I was contacted about the closure. Although the DWP has stated that the closure will not involve any job losses, it has indicated that the jobs in question will be moved to alternate locations in central Glasgow or Motherwell, both of which are approximately half an hour’s drive away—and that is if we assume no traffic delays.

Coatbridge is a community filled with young families. Many people base decisions about who they work for on the location of their potential workplace: they choose to work in locations that allow them to drop their children at school in the morning or be near an elderly or poorly relative. There is also the issue of additional travel costs for the predominantly local staff to and from Glasgow and Motherwell, and that is if we assume no traffic delays.

The union members I spoke to were concerned about the dilution and inevitable reduction in the quality of services provided to service users that the cuts will cause, as was well articulated by my hon. Friend the Member for Inverclyde (Ronnie Cowan). The closure will affect not only current employees and their families but local businesses, as my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) articulated well. The DWP facility that faces closure is just off the main street in Coatbridge and, like many town centres throughout the country, it suffers from massive reductions in footfall, and subsequently business, for high street retailers and service providers. It seemed as if things could not get any worse for our main street retailers, but the facility’s relocation out of Coatbridge town centre will be yet another blow for the businesses in and around it and for the other businesses, such as childcare businesses, restaurants and takeaways, that support the local workforce in my constituency and the surrounding constituencies.

Unfortunately, the announced closure is only one of a decades-long series of ideologically driven cuts to services in Coatbridge, Chryston and Bellshill from a London-centric UK Government. It gives the lie to the claim we hear from London about caring conservatism. Nothing could be further from the truth. I urge the Minister to focus on the decentralisation of services if he and his Government are truly serious about a more inclusive Britain for all. Like my colleagues, I ask the Minister to reconsider, to halt the closures and to review them after proper assessments and a proper consultation process have been carried out.

3.39 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Walker. I congratulate the hon. Member for Glasgow South West (Chris Stephens) and thank him for securing this debate. I want to speak against the impending closure of Phoenix House in Barrow, which is not a jobcentre but a back-office benefits processing centre. As I will outline, the 80 people in that centre perform an important service to people throughout the United Kingdom. As I said to the Minister, who was good enough to make himself available in the days immediately after the shock announcement, closing the centre could have damaging consequences for the people whom we as a country, the state and his Department are supposed to be serving.

In contrast with some of the tone of the debate so far, I am not questioning the Minister’s integrity. Everything that I saw of him in the time before he became a Minister suggests that he is genuinely committed to the field, in which he spent a considerable amount of time
before being promoted to a ministerial role. However, he is presiding over a process that is simply not acceptable, for many reasons that have been outlined in this debate. This is an important opportunity for him to listen and make amends.

I imagine that the Minister will recall our brief meeting. Having worked as an adviser in the Department where he now serves, I have some experience of how it can sometimes drive forward with a programme while treating ministerial direction—which, frankly, it sometimes seems to take as advice—as wholly unwelcome, although I do not expect him to confirm that in his remarks. I have spoken with his Department. Mentioning the conduct of civil servants is not something I do lightly, but I was genuinely taken aback when I went to see the Minister and the civil servant who was there to support him did not even know what benefit was processed in Barrow. That is lacking in and of itself when we are talking about 80 people in my constituency who are losing their jobs. As the Minister for Employment, he will have some understanding that when skilled office jobs are eliminated in a geographically remote constituency such as Barrow, they have little prospect of being replaced by something else, and people cannot realistically travel to another place two or more hours away. I expected that civil servant to know what those people did, at least.

Due to the nature of the benefit, closing Phoenix House and taking the facilities somewhere else in the country, inevitably employing new people, will do damage to the service provided. The centre processes industrial injuries disablement benefit. The team say proudly that they have more than 100 years’ experience between them of processing that benefit. Due to that build-up of expertise, the Barrow team has taken part in a process that has reduced the processing time for that benefit from 175 days to 33 days. That is an achievement and welcome in itself, but we must also take into account who receives the benefit. It goes to people who have developed terrible conditions. Many of them, such as those suffering from the likes of asbestosis, are terminally ill due to negligence in past decades. That is why they have been given compensation in the form of the benefit. The whole point of focusing on driving down the time that it takes for them to get it is that it makes the difference between them receiving it while they are still alive and receiving it after they have died.

When I made the case to the Minister, he told me that he and the Government were not in the business of reversing that progress and going back to the days when, unfortunately, many people died before they were given the benefit, which is itself inadequate compensation for having their lives taken away but is nevertheless important both financially and as recognition that they were wronged in their employment. I put it to him again that reversing progress is exactly what will happen if that function is taken away from Phoenix House and put elsewhere in the country.

The Minister will know by now, I hope, that it takes 12 to 18 months to train people in even a basic level of competence, and the people at Phoenix House have put in the time and the experience that they have built up. I am coming to the end of my time; I am pleased that we are giving him ample time to address all the diverse issues. I hope that he can address the plight of the staff members at Phoenix House, who are campaigning hard. They have set up a petition, and I supported their march in Barrow on Saturday. They are fighting for their jobs, but they are also fighting for the service that they give to the rest of the nation, and I hope that he takes it seriously in his response.

3.47 pm

Stewart Malcolm McDonald (Glasgow South) (SNP):

It is always a pleasure to see you in the Chair, Mr Walker. I congratulate and thank my constituency neighbour and hon. Friend the Member for Glasgow South West (Chris Stephens) for securing this debate. After many—possibly more than 100—written questions, urgent questions, debates in Westminster Hall and points of order that are not really points of order, I salute his indefatigability in pursuing this issue.

I also thank the PCS Scotland union for the excellent job that it has done assisting Members of Parliament throughout the country, and particularly in Glasgow, where we heard the rather unwelcome news just before Christmas that the Government intend to reduce the jobcentre estate by half, from 16 jobcentres to eight, two of which—the Castlemilk and Langside jobcentres—are in my constituency.

I hate to say it, but having spoken in the two previous debates, met the Minister along with colleagues and taken part in the urgent questions, there is not much new for me to say. However, as you will know, Mr Walker, the Speaker reminds us that repetition is not a vice in this House, so I will repeat some of it. The Castlemilk jobcentre serves a community that was once more populous than the city of Perth and has some of the most deprived neighbourhoods anywhere in the United Kingdom. It sits in the Braes shopping centre in the centre of Castlemilk, and it is, I think, the only serious anchor tenant there. If the jobcentre goes, it will create big problems.

However, that should not be the only reason for it to stay. The other reason is that closure will have an impact on those who use the jobcentre. I hate to say it, but to return to the point made earlier by the hon. Member for Sheffield, Heeley (Louise Haigh), this plan has been designed by Google Maps. Like the hon. Member for Barrow and Furness (John Woodcock), I do not want to mention civil servants on the public record, but when we met senior civil servants from the Department for Work and Pensions in Glasgow before Christmas, I jokingly asked if they had worked it out using Google Maps, expecting the answer to be, “Don’t be so ridiculous, Mr McDonald; we would never do such a thing.” However, the response I got was, “Yes, we’ve used Google Maps,” which has bus services that no longer exist and does not take into account travel times as far as traffic goes.

Langside jobcentre serves the second most densely populated council ward anywhere in Scotland, and it serves a population of people who live in private lets and who often have quite precarious working conditions, in temporary jobs, on zero-hours contracts and with relatively low pay, and whose employment is in many cases anything but secure.

I would ask the Minister why, despite several genuine and friendly invitations, he has not taken any time at all to visit any of the jobcentres in Glasgow that he wishes...
to close. I do not know what he thinks will happen to him if he comes, but I can assure him that either I or one of my hon. Friends from the city of Glasgow will look after him. He will be okay. Even at this late stage, I implore him to visit a jobcentre in Glasgow to hear what the staff and the users have to say.

Stephen Timms: Will any of the hon. Gentleman’s constituents face what a number of my constituents in East Ham in London will face once our local jobcentre closes, which is a doubling of their public transport fares in order to get to the replacement jobcentre?

Stewart Malcolm McDonald: Absolutely. With the Castlemilk jobcentre, all the people who use it will effectively have to use what the Department calls the Newlands jobcentre—it is called that, but it is actually in Pollokshaws, which is even further away than Newlands. All the people from Castlemilk who have to use that jobcentre will have an 8-mile round trip to get there and back. At the minute, no matter where someone is in Castlemilk, they can walk to the jobcentre in, at the most, maybe seven minutes, and that is for a perfectly able-bodied person.

I do not see the need to put those kinds of barriers in people’s way for trying to access a service that has been in their community for a long, long time. The Department seems to think that people can get from Castlemilk to the jobcentre in Pollokshaws in under 30 minutes—I think that is what it has said. I say, “Well, good luck with that,” because, having gone around the constituency countless times over the years I have lived in Glasgow, which is my entire adult life, I certainly have never been able to make that journey in just over 20 minutes.

However, I will come to my final point, which is on the consultation. We had to drag the Government to publish their consultation on the Glasgow jobcentres online; they had no intention of doing that. [Interruption.] The Minister can shake his head or gesticulate in any way he wants, but they had no intention of putting that on the Department for Work and Pensions website. It was welcome that they did, and it was also welcome that they extended the consultation for around two weeks. I am not sure what the Minister is so flabbergasted by, but I look forward to hearing about it none the less.

It was quite remiss of the Government not to take the time to write to every single person who would have been affected by these closures. When someone goes to the jobcentre to register, there is not a bit of information that the staff do not get from them, so the Government could have made it easy for those for whom this closure would be a big issue to take part in the consultation. Rather than just having fliers and putting up a couple of posters in jobcentres, the Government could have sent a consultation response form directly to their houses, or by email, rather than relying on Members of Parliament or members of the public—I had several people willing to do this, even though they were not exactly happy about it—standing outside jobcentres and informing people that they were going to close, which was the first time they had heard about it. In my view, it was quite wrong of Ministers not to inform MPs about this matter and for us to have to read about it in the press, but that is nothing in comparison with members of the public who use the jobcentres finding out from a stranger in the street campaigning outside a jobcentre.

The Government have handled the consultation poorly; however, I would like to hear what the responses to the consultation contain. I would also like to hear how many responses there were and how the Department the announcement on closures will be made. My understanding is that we can expect an announcement towards the end of March—that is, around about the time that article 50 is in full-blown scale, so it will perhaps be a good time to bury bad news.

Nevertheless, I ask the Minister this quite sincerely: can he commit to making an oral statement on the Floor of the House and to not sneaking this news out in a written statement, a press release, or in some fashion that avoids proper parliamentary scrutiny? If he gives me nothing else today—U-turns are quite fashionable this week, but I am not sure he will do another—I ask him to commit at the very least to making a full oral statement on the Floor of the House, so that Members can scrutinise the decision further.

Mr Charles Walker (in the Chair): I am going to call the Minister no later than 4.18 pm. If the Opposition Front Benchers want me to call him earlier than that—he has got lots of notes—that is entirely up to them.

3.55 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is good to see you in the Chair, Mr Walker. I congratulate you on your role. I am a constituency MP—a Member for Glasgow South West (Chris Stephens) on securing this critical debate.

As the Member of Parliament for West Dunbartonshire, I would like to put on the record the fact that the Alexandria jobcentre in the Vale of Leven in my constituency has been proposed for closure. Colleagues from all parties have made strong cases for the reversal of the UK Government’s proposals to close a number of jobcentres in their respective constituencies. I hope the Minister will take their points on board. I feel for the Minister, because I am led to believe that there will be a closure in his own constituency, which must be going down like a lead balloon.

Although I agree with the arguments put forward by colleagues, there are special circumstances that set the Alexandria jobcentre apart. The catchment area shares similar characteristics with others earmarked for closure. There are high levels of deprivation and unemployment, which, as in other urban areas, must be taken into consideration. The Alexandria jobcentre differs, in that it serves a population that is not only urban but suburban, in the true sense, and a rural community, which results in a set of unique challenges for those living in those communities, especially given that the area includes the Loch Lomond and the Trossachs national park boundary.

An argument put forward by the DWP to support its proposal is that it is now easier to access jobcentre services, whether over the phone, online or in person. Let me take those in order. For citizens living in rural areas, the practical challenges are many. People whose line connections depend on weather conditions, which in my constituency are temperamental at best, do not have easy access to services by phone, as the Department argues. Given BT Openreach’s dubious record in elements of the rural sections of my constituency, there are difficulties in online connectivity.
Chris Stephens: Is my hon. Friend aware that, although the Department publicly suggests that 0845 numbers are no longer in operation, claimants can phone an 0845 number, which costs 55p a minute?

Martin Docherty-Hughes: It is an outrage. My hon. Friend highlights something that makes a mockery of the suggestion that this will save money.

Those who do not have an internet connection because their area has not yet had substantial investment in broadband connectivity—in my area we need investment in the copper wiring, never mind new fibre—cannot access the services online as easily as the Department presumes. Many urban, suburban and rural citizens simply cannot afford to sign up to an internet provider. That also holds true in relation to phone and mobile operators.

Reducing the number of jobcentres and moving those services to a central location—in my constituency, down to Dumbarton—will make it more difficult for citizens to access those so-called local services in person. It will result in longer journeys at a greater cost to those who are already struggling to pay the bills, and it may exacerbate health conditions. In certain parts of my constituency, in the winter, it is not an easy journey, especially for people coming from the national park end. To suggest that those individuals can claim back any cost incurred through the longer journey misses the bigger point. They are already struggling financially, and the lack of awareness from the Government and specifically the Department is quite unnerving.

To ensure the best service for citizens, all interested parties must be involved. I welcome West Dunbartonshire Council’s proactive cross-party approach to tackling these issues in the best way for our constituents. I urge the Minister in the strongest possible terms to engage constructively with the local authority to retain those local services. In the light of that, I ask him to draw its attention to the policy, because there are different policy frameworks across the UK. For Scotland, I urge the Department to read the report by the Christie commission on the future delivery of public services, which shows how that delivery might be achieved with community planning partners. The clue is in the name: it is about partners and partnership.

Unfortunately, my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black) cannot be here today for personal reasons, and she asked me to raise a few points on her behalf. The Department announced that it was relocating 300 jobs out of her constituency into the city of Glasgow, with no consideration of the impact on the local economy. In addition, no consideration has been given to how existing staff will be affected and how the travel time will impact on their lives. That could be a major factor that may force some existing staff to consider taking redundancy, as any move may be impractical. Why is the DWP abandoning a purpose-built office to take on a new lease?

To sum up, I hope that the Minister and his civil servants will take on board the valid concerns expressed by all Members and be proactive in responding, in particular by recognising the opportunities for co-location and partnership working for local services in local communities. I am sure I speak on behalf of all Members in praising the staff and those from the PCS union. I have been meeting them to ensure that this is kept to the fore as a major issue for us to debate.

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Walker. I congratulate the hon. Member for Glasgow South West (Chris Stephens) on securing this debate. He spoke passionately about the haphazard nature of the closures, and described it as a Google Maps exercise done on the back of an envelope. He also spoke about the loss of jobs and the impact on the local economy. It has been a very important debate, even though we have already had several debates on this issue.

We have had some excellent contributions, particularly from my hon. Friend the Member for Lewisham East (Heidi Alexander), who made a measured speech about the impact on her constituents and the Government’s complacency on the economic consequences of Brexit for the financial sector, on which many of her constituents rely. The hon. Member for Inverclyde (Ronnie Cowan) spoke about practical problems, such as flood risk and the impact that might have on people being sanctioned. The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) talked about the cumulative impact in her constituency of other closures, such as those of local banks.

My hon. Friend the Member for Sheffield, Heeley (Louise Haigh) represents one of the most deprived areas of the country. She asked the Minister why we should be asked to support the measure, given that we have not been given the evidence base or any impact assessment. My hon. Friend the Member for Barrow and Furness (John Woodcock) made some very good points about the remote geographical location of his constituency and the loss of expertise for Jobcentre Plus. My right hon. Friend the Member for East Ham (Stephen Timms) spoke about the doubling of public transport fares for people in his constituency. There were also contributions by my hon. Friend the Member for Coventry South (Mr Cunningham) and the hon. Member for Coatbridge, Chryston and Bellshill (Philip Boswell).

Many questions still need to be answered. The Government appear to believe that the current levels of employment and the introduction of universal credit mean that more than one in 10 Jobcentre Plus offices can be closed, regardless of the impact on the local community. According to House of Commons Library analysis, 33% of jobcentres in London, 18% of jobcentres in Scotland and 16% of jobcentres in the north-west will be lost at a time when communities are already under real pressure due to seven years of Tory austerity.

Jobcentre Plus faces considerable challenges in the immediate future. From this April, it will play a much greater role in directly providing employment support when new referrals to the Work programme cease. From the end of this year, the Work programme and Work Choice will be replaced by the Work and Health programme. Most people claiming JSA are currently asked to take part in the Work programme, while Work Choice provides specialist employment support for disabled people.

Margaret Ferrier: Does the shadow Minister agree that it is about not only the expertise of jobcentre staff in carrying out their role, but the rapport built up between them and the clients? That is even more important when dealing with those with mental health issues, where continuity is crucial.
Margaret Greenwood: I thank the hon. Lady for that; she makes a good point.

Eligibility for the Work and Health programme will be much more restricted than the programmes it replaces. It will be open to certain disabled people and to people who have been unemployed for two years or more. In the light of that, the Employment Related Services Association estimates that as many as 45,000 fewer disabled people will have access to specialist employment support in every remaining year of this Parliament. Employment support for almost everyone else will be provided by Jobcentre Plus, including many disabled people with specialist needs.

How does the programme of jobcentre closures square with the Government’s aim of meeting their manifesto commitment of halving the disability employment gap? The longer and more complicated journeys to jobcentres as a result of the closures will particularly affect disabled people and people with caring responsibilities. Why has the DWP not yet published an equality impact assessment to analyse the effect of the closures on claimants and the local community?

More difficult journeys also increase the risk of claimants being sanctioned by staff for being late for or missing appointments. Will DWP issue guidance that, when considering sanctions, jobcentres should take account of increased journey times due to closures? There is already a backlog of sanctions, which in some cases is leading to money being withdrawn from claimants months after non-compliance, even though claimants may in the meantime have done what they were asked to do.

The roll-out of universal credit is continuing and will also present additional challenges for Jobcentre Plus. Jobcentres are having to do a huge range of things: provide careers advice to schools; deliver the new youth obligation under universal credit, which involves much more intensive support for 18 to 21-year-olds for the first six months of their claim; assess the viability of businesses for self-employed people claiming universal credit; and extend services to the partners of jobseekers, because universal credit applies to a household, so for the first time a spouse or partner of a claimant can be asked to attend a jobcentre to discuss work, even if they themselves have not made a claim or are in work. In future, jobcentres will also have to operate in-work conditionality under universal credit. In other words, people on low incomes who are working will be required to increase their earnings or risk being sanctioned—another first.

There is growing evidence that the supposed six-week wait for payment at the start of a universal credit claim is much longer in some areas, leading to people being in arrears with their rent and building up debts. Will the Minister assure us that the DWP has fully taken into account the need to tackle existing delays in processing claims in its plans for closures? Furthermore, universal credit is being rolled out at a rate of five jobcentres per month, rising to 30 jobcentres per month from July and 50 jobcentres after September, but by the end of last year the Department was ready to announce a dramatic programme of closures at the very time it was going to speed up the roll-out of universal credit.

Universal credit is, of course, designed for claims to be made and managed online. The Minister, in his statement of 26 January, highlighted that “99.6% of applicants for Universal Credit full service submitted their claim online.”

As has been said by many Members, however, not everyone is confident of using IT, and many people rely on access to a computer in local libraries to do so—and libraries, too, are under threat from the cuts to local authority funding, with which we are all so familiar.

Just because a claim is made online does not mean that it can then be completely managed online. When there is a problem, a claimant may have little choice but to ring the DWP helpline or to go to a jobcentre to resolve it. We know from parliamentary questions last year that many claimants are spending long periods on the phone to DWP’s universal credit helpline.

The DWP is not alone in closing offices. HMRC is also planning to close all its 170 offices nationwide by 2020, replacing them with only 13 regional centres. Employment support works best when people have a good relationship with their adviser or work coach and it is tailored to a claimant’s specific needs. I am concerned that the system is already buckling under increasing pressure and that, in closing so many jobcentres at the same time as speeding up the roll-out of universal credit, the Government are simply asking the impossible of work coaches, who are at the heart of our system of employment support.

It is vital that we have a reliable social security system that is there for any one of us should we fall on hard times. Those closures look set to erode the infrastructure in place to deliver that system without the Government’s even having made an equality impact assessment. I urge the Government to think again.

Mr Charles Walker (in the Chair): Before I call the Minister, I remind him that we would like Mr Stephens to have two minutes at the end. Would the Minister mind sitting down by 4.28 pm?

4.8 pm

The Minister for Employment (Damian Hinds): As always, it is a great pleasure to see you chairing the debate, Mr Walker. I congratulate the hon. Member for Glasgow South West (Chris Stephens) on securing it and giving us the chance to debate these matters again. I think at one point he suggested that this was the first chance that we had had to debate—

Chris Stephens: For clarity, this is the first time we have had a chance to debate the issue since the UK-wide announcement, not just the Glasgow announcement.

Damian Hinds: I am pleased with that clarification, although we had the urgent question on 30 January, after the UK-wide announcement on 26 January, and the Westminster Hall debate in this Chamber on 20 December, as well as a number of oral and written questions—the hon. Gentleman’s colleague, the hon. Member for Glasgow South (Stewart Malcolm McDonald), suggested more than 100. I have not been counting, but I confirm that it is a substantial number. Of course, we have had the opportunity to meet one to one and with groups as well. I am grateful for this further opportunity to debate these important matters.

On 31 March next year, the DWP’s 20-year private finance initiative contract, which covers the majority of the Department’s property portfolio of more than 900 sites, will expire. The Department for Work and
Pensions currently occupies about 1.5 million square metres of office space, and these days at least 20% of it is under-occupied. The falling claimant count and the increased use of our online services in recent years means that 20% of the taxpayers’ money that the Department is spending on rent is going towards space that is not being used. By paying only for the space we do need and the services required to operate from that, we anticipate saving about £180 million a year for the next 10 years.

The expiry of that contract at the end of March 2018 presents both a unique opportunity and a specific requirement to review the estate. In response to changing demands facing the Department, we have redesigned the estate in a way that delivers better value for the taxpayer. I need to be clear that this is not about reducing services; it is about taking the opportunity to stop spending taxpayers’ money on unused space so that we can target money effectively on supporting those in need. We have carefully considered the challenges that we anticipate the Department is likely to face in the future, but the jobs landscape and the way people work has changed significantly in the past 20 years.

As has been mentioned, some 90% of universal credit claims are made online and with more of our services moving online, in common with other organisations, we want to continue making the most of the opportunities that new technologies present to help best meet our claimants’ needs.

Louise Haigh: On the roll-out of universal credit, in Sheffield it has been rolled out only to lone individuals with no children. As it expands to cover other types of benefits, the rate will decrease dramatically and, as has been mentioned, the number of interactions is only going in one direction. It is therefore misleading to use that statistic.

Damian Hinds: I am certainly not trying to mislead and I do not think I am misleading. I reassure the hon. Lady that the Department for Work and Pensions, in common with others, does staff and resource planning that takes into account all the different demands that will be made on our services, and that includes the fact that, as a number of Members have mentioned, in universal credit there is the opportunity to work more closely with people, with the workload that that will involve, to encourage more people into work. Of course, that is all part of the plans and not something additional that has not been considered.

The hon. Lady mentioned work with, for example, lone mums on income support. There is also work with partners, as the hon. Member for Wirral West (Margaret Greenwood) mentioned, and then work with people in work, the self-employed and so on. I should add that some of those offers are in development, and we will adjust and evolve the opportunity of the offer to optimise it as time goes on. However, of course the assumptions on the amount of workload involved are reflected in the plans.

It is right that we reflect not only the impact of the digital revolution in meeting our claimants’ needs but the realities of a more flexible labour market and significant falls in unemployment since 2010. The employment rate is at a new record high: there are more people in work than ever before. We had the statistics on the unemployment rate come out just yesterday: they have hit a 12-year low. In fact, the last time the unemployment rate was lower than what was announced yesterday was in the mid-1970s. Of course, we always have to consider that things in the world will change. That is also considered in the planning assumptions made by the Department.

Chris Stephens: In terms of employment rates, does the Minister not concede that one result of that is that those who are not in work at the moment have specific circumstances and challenges to overcome? On that basis, that should result in more face-to-face, rather than online, contact.

Damian Hinds: The hon. Gentleman makes a characteristically important and insightful point. Of course, what he says is true. There is a distinction to be made between different claimants and clients in different circumstances, in receipt of different types of benefits—for example, people who are on employment and support allowance are not required to attend jobcentres fortnightly or weekly in the same way as people who are in receipt of jobseeker’s allowance.

We want to maximise the opportunities available to all those groups of people, of course. Some of that is about stuff that happens in jobcentres; some of it is not. There are some things that could be done more effectively not in jobcentres than in them, particularly with some people who are further away from the jobs market, as I am sure the hon. Gentleman will recognise.

Heidi Alexander: The claimant count in my constituency went up by 50 in the last month. Although that may be a monthly blip, I am concerned about the overall strength of the London economy moving forward. The Minister talked about the space being under-occupied by a fifth, yet in London he is proposing to close a third of jobcentres. Will he explain that for me?

Damian Hinds: I can. I was going to come on to Lewisham and some of the points that the hon. Lady raised on London, but I will address it now. Overall, the estate is 20% under-utilised, but that does not mean to say that in every individual jobcentre there is exactly 20% of unused space. In terms of the utilisation rates, there is a wide range in individual jobcentres and between cities, when we take the total estate in that city into account. There is no complacency at all about the strength of the labour market in London, Sheffield or Glasgow, or in any other place. In all of the locations that we operate from throughout the United Kingdom, jobcentre staff are focused night and day on helping people to get into work.

In the case of Lewisham, the landlord did not want to re-lease and we believe that 2.1 miles to the Forest Hill location is a reasonable distance to ask people to travel additionally. As the hon. Lady will realise, the London property market is an expensive place to have real estate and there are particular challenges with finding premises in London. We think that the estate we have across London is reasonable in terms of asking people to get around.

Heidi Alexander: The DWP is exploring the possibility of taking on space in Eros House, which is an accessible, central location. If that costs a little bit more, would the
Minister commit to exploring that option, given the additional benefits it can bring?

Damian Hinds: The hon. Lady will understand that I am not going to stand up in Westminster Hall—or should I—and talk about detailed proposals and plans for sites that she or others may put forward, but we are always open to talking about the range of opportunities. I am happy to follow up with her on the specific points she raises.

In every case where change is proposed, we have sought to minimise disruption and listen carefully to those who might be affected, but as a result of modernisation, the Department’s services are demanding fewer people to deliver. It is only right that we consider our options going forward. Delivering a modern and dynamic service to claimants requires modern and dynamic working environments, and that is what we are striving towards as part of our vision for DWP in 2020. Our aim is to maintain and improve the services offered across the country.

We recognise, of course, how important the DWP’s staff are to achieving that aim. They are our most valuable resource. It is as a result of their immense effort that the Department is able to provide such a high level of service to our customers. My colleagues and I have been clear that the proposals for the DWP’s redesigned estate do not mean a reduction in the number of frontline staff. In fact, we are recruiting and we expect to have more work coaches in every nation and region of the United Kingdom at the end of this process in March 2018 than we do today.

For staff across the DWP network who may be affected by the estate changes, we are currently working through options with each individual, identifying relocation opportunities in the event of closure, but most of all we are listening carefully to understand fully the impact on staff.

John Woodcock: If the Minister is going to answer this, great, but does he recognise the particular issue of the unfeasibility of Barrow staff relocating, and has he had a chance to examine the proposal that I made when we met to find a cheaper lease on a smaller property in Barrow than Phoenix House?

Damian Hinds: I recognise, of course, the difficult position that staff in Barrow are in and I join the hon. Gentleman in the tribute that he paid to the immensely valuable work that they do. I fully recognise, as he does, the accumulated experience that that group of dedicated staff has. One-to-one conversations will be going on in Barrow and, indeed, in all other locations where there are affected staff. There will be some limited opportunities for staff in Barrow jobcentre, but I am not suggesting that that covers everybody.

The industrial injuries work rightly raised by the hon. Gentleman is moving to Barnsley, which is an existing centre with experience and expertise. Overall for that work, reducing volume demand is projected over the next five years, and we do not expect an impact on service to the customer.

The Department has already made a commitment to support anyone who chooses to relocate in the event of a site closure. That would include the payment of additional travel expenses for up to three years. However, the fact remains that the Department has significantly more capacity across its network than is needed to serve the needs of our customers, even allowing, of course, for a sensible margin. It is imperative that we strive towards more modern and dynamic delivery methods.

Although there is no statutory requirement for consultation on the estate changes to jobcentres, we are conducting consultation on all proposed closures of jobcentres that fall outside what are known as the ministerial criteria. It is not unreasonable to expect claimants to travel to an office that is within 3 miles, or 20 minutes by public transport, of their existing jobcentre. Where a proposed move is outside those criteria, we have chosen to consult publicly both stakeholders and claimants to ensure that the full implications of the closure are considered before we make a final decision. To enhance the profile of such consultations, we have written to local stakeholders and have distributed leaflets and put up posters at affected sites. We have undertaken public consultation where we think the proposals may have a significant effect on claimants. The objective is to ensure that the effects of our proposals are fully considered before any final decisions are made, and I welcome the engagement and responses that we have had from local stakeholders.

We have had a total of 290 responses from across the three sites in Glasgow. Those include responses from claimants, Members of Parliament, including some present here, interested third-party organisations and the wider public. Alongside taking into account the views of a range of stakeholders via consultation, I have met a number of fellow Members of Parliament to discuss how proposed changes to the estate will impact at local level. I will be considering the feedback to all the public consultations and I reiterate to hon. Members that these are genuinely proposals at this stage. When we make final decisions on the design of our estate, we will do so with all the feedback that we have had in mind. That may include considering additional options for outreach or indeed something wider—nothing is off the table at this stage.

Stewart Malcolm McDonald: Will the Minister give way?

Damian Hinds: To allow two minutes for the hon. Gentleman’s colleague, the hon. Member for Glasgow South West, I had better not.

When a jobcentre closes, the Department has a comprehensive set of outreach and support measures in place to support claimants in accessing the services they need. We embrace closer working with local organisations and support outreach activity at community and partner facilities, including local authorities across the country. That allows work coaches and partner organisations to support the shared needs of claimants. By working with a range of partners, including local authorities, we are able to expand the range and offer of our services.

We respond to personal circumstances. For claimants who are unable to attend a jobcentre due to their vulnerability or the complexity of the transaction required with the Department, we have robust procedures
place, including home visits and maintaining a claim by post. Travel expenses are refundable under certain circumstances, including where claimants are required to attend a jobcentre more frequently than fortnightly. Claimants can also choose to attend an alternative jobcentre to the one allocated to them if the jobcentre they have been allocated is not the closest or least costly for them.

I touched briefly on Lewisham. On Sheffield, there has been a consultation. The proposal is that Sheffield would better utilise space at Cavendish Court, which is currently only 45% utilised. Eastern Avenue is 74% utilised, but the move would not work in reverse because of the different configurations and sizes of the buildings, and Cavendish Court and Bailey Court are respectively 4.4 miles and 4.7 miles away.

The Scottish National party spokesman, the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), spoke about partnership and outreach. I entirely agree about the need for partnership and for continuing to enhance it; the West Dunbartonshire employability hub is a particularly good example of that. As I mentioned, we are always keen to do more and to discover such opportunities, and that includes close working with Skills Development Scotland and others.

The proposed changes are the result of careful analysis and planning. While I appreciate hon. Members’ concerns about the proposed closures, and again thank the hon. Member for Glasgow South West for securing this debate, the rationale for the proposals is clear. We are working towards a more modern, dynamic estate. This will ensure that we continue to have sufficient flexible capacity to deliver the best services we can to our customers. It is important to stress again that all the specific changes to the estate that have been raised in this debate are still only a set of proposals, and we are continuing the consultation process with our staff to assess how each might be affected. I want to reiterate that in the event that co-location or closures are required, we expect that to have no impact on the excellent services we continue to provide to customers across the country.

4.28 pm

Chris Stephens: May I first apologise to you Mr Walker? So keen was I to raise this issue that I forgot to refer the House to the Register of Members’ Financial Interests and my position as chair of the PCS parliamentary group. I apologise for that.

A number of issues have not yet been answered. There is the question of the review criteria. I am clear, as are many hon. Members, that all 78 sites that were earmarked for closure should have been subjected to a full public consultation. The reason why is that the equality impact issue is still outstanding; there is no equality impact assessment for disabled people or the black and minority ethnic community, among others. The economic impact will certainly be hard on many areas; the hon. Member for Barrow and Furness (John Woodcock) identified that, and made an excellent point on industrial injury benefit. There is also the workforce impact; we have a written answer that says that the DWP expects 750 staff posts to go. If it is hiring staff and letting 750 posts go, I suspect that there will be an employment tribunal at some stage.

We need to make sure that this is done with the correct information, and not wrong and inaccurate information. I ask the Minister to listen to the point made by my hon. Friend the Member for Glasgow South (Stewart Malcolm McDonald) about parliamentary scrutiny going forward, and to make sure that we deal with this issue on the Floor of the House. Certainly, if the Minister makes announcements, we expect that to be on the Floor of the House and not sneaked through in a written statement on a Thursday or Friday, or before a recess.

I thank you, Mr Walker, and thank all hon. Members for taking part in this important debate.

Mr Charles Walker (in the Chair): Thank you, colleagues. I hope you all have a productive Friday and weekend. Question put and agreed to.

Resolved.

That this House has considered Jobcentre Plus office closures.

4.30 pm

Sitting adjourned.
Steve Double: I am grateful to my hon. Friend for that intervention. He makes the precise point that I will be making, which is that the cost of insurance is based on risk. The reason the cost of insurance for young people is so high is that the risk is so much higher. Rather than imposing an artificial cap, we instead need to look at why that risk is so high and work to reduce it, as premiums will then naturally come down.

I am afraid I cannot support capping premiums, which would defy the logic of risk that the insurer is taking. Insurers assess those risks from many sources and charge a premium accordingly. It is a competitive industry, and any attempt to cap the price that insurers charge would surely simply result in other groups having to pay more than they should. It would also fail to deal with the cause, which is that novice drivers have a far worse accident record than any other group. One in five young drivers has an accident within the first six months after passing their test. Indeed, I was one of them. They are 10 times more likely to make a claim. That speaks of a systemic failure of our current tuition and test procedures, which I have come to understand is at the heart of this issue. Put simply, the current system teaches young people how to pass a test, rather than how to be a safe and competent driver. If we want to deal with the fruit of high premiums, we must deal with the root cause. Capping premiums will not stop the accidents.

Jake Berry (Rossendale and Darwen) (Con): This is a very important debate, especially for my constituents, who live in a similarly rural area to that of my hon. Friend. Does he acknowledge that black box technology in young people’s cars is a much better way of altering driver behaviour in the long term than the current driving test?

Steve Double: Later in my speech, I will talk about telematics and some of the available technology. My response to my hon. Friend is that I think we need both. Yes, we need to embrace technology and use it as much as possible to help people to be safe on the roads, but I am also of the view that we can do better with the current testing regime in helping people at that very initial stage to be safer on the roads.

Jo Churchill (Bury St Edmunds) (Con): Does my hon. Friend agree that the 21st-century driving conditions that my four children, his children and all the young people in our rural constituencies face on the roads mean that we need a different approach? Lessons on night-time driving and motorway driving are not obligatory. Many countries, including New Zealand, Australia and France, run a probationary period, for example, which is something that could be looked at and learned from.

Steve Double: My hon. Friend makes a very good point that I will come to later. I think the current testing regime needs to be more robust and more comprehensive to address the many different aspects of driving, rather than just having the very narrow test we have currently. We teach young people to pass the test. We do not equip them to deal with the many different experiences of driving on roads in the UK today.

Karl McCartney (Lincoln) (Con): Before my hon. Friend moves on, I am intrigued and interested to hear about the various different safety regimes for new drivers,
but what we are discussing in today’s debate is the cost of premiums for young drivers. Does he not agree that one of the reasons why they are so expensive is that insurance companies keep putting them up? The rates are not as open and competitive as some of us would like them to be. The companies obviously want to carry on making profits and perhaps pass on the costs of expensive whiplash claims to premium holders, whether they are young or old.

Steve Double: My hon. Friend makes a very good point. I am certainly not here to defend every insurance company or the premiums they quote to young people or anyone else. I am sure there is always room to do better and drive down those costs. We could talk about the insurance premium tax, which has perhaps contributed to the cost. Young people are unfairly penalised on that count because of the high premiums. We need to be realistic: this is about insurance companies assessing risk and charging according to that.

To put the matter into perspective, a typical insurance premium for a teenager is £2,000, which comes out at just over £5 a day. I am sure that many Members in the Chamber today have very nice vehicles. Would they give their car to a 17-year-old for 24 hours to drive however they chose in return for £5? I do not think many of us would do that. Although £2,000 is a very large amount of money for someone who is 17 or 18 years old—we acknowledge that—we also understand that for that money they are getting insurance cover not only for the vehicle, but for any third-party damage or injury that they may cause.

Graham Stringer (Blackley and Broughton) (Lab): I am following the logic of the hon. Gentleman’s argument, which is that insurance costs are related not only to the experience of the driver, but to their age. We have been moving the age of responsibility up in lots of areas, such as for buying cigarettes, so would he agree with increasing the age at which someone can get a full licence from 17 to 18?

Steve Double: I personally am not of that view. If fact, if we look across the world, other countries allow young people to learn to drive at much younger ages. I certainly would not look to reduce the age. However, I think we need to give our young 17 and 18-year-olds more tuition and better experience, so that they become more capable drivers much quicker. That is where I would focus the attention, rather than increasing the age. If we increase the age, they will still be new drivers at whatever age they begin to drive.

Karl McCartney: I thank my hon. Friend for giving way; he is doing well with so many interventions. I want to reassure all the young drivers or potential young drivers who might be following this debate that although hon. Members would perhaps not lend them their nice, or not-so-nice, cars for £5 a day, having seen some of my hon. Friends driving, I probably would not lend them my car for £5 a day either.

Steve Double: I am grateful for that point.

Some young would-be drivers, overwhelmed at the potentially unobtainable cost of car ownership, including, but especially, insurance, are tempted to simply flout the law and proceed to drive without insurance and at times even without a licence, which is a totally unacceptable and dangerous solution. That has disastrous consequences for them and for other road users. The fallout can be death, serious injury or a criminal record, and, with motoring prosecutions now a part of their profile, it makes it even more expensive to start the process towards a driving insurance premium. It also has the effect of pushing up insurance costs for law-abiding, properly insured drivers. There is genuine concern about the cost of insurance for young drivers from many quarters, not just from novice drivers. There is concern about the impact on other outcomes and about excluding the young from a societal norm: the freedom to own and run a car. The high costs of entry might also feed into other problems in society: isolation, alienation and perhaps even a sense of failure for young people. We therefore need to take the matter seriously.

However, it is important to consider why the premiums are so high. The Government’s response to the petition stated:

“The Government is aware that the cost of motor insurance can be high for new drivers and understands the concerns that have been expressed about this. The average cost of motor insurance for the 17-22 age group was estimated to be £1277 as at January 2016”.

In my experience and from talking to many people, the cost is often much higher than that. It is important to bear in mind that motor insurers have to provide unlimited cover against the risk of personal injury to third parties and cover of up to £1 million for property damage. They use a wide range of criteria to assess the potential risk that a driver poses, which include the age of the applicant, the type of vehicle being driven, the area where the applicant lives and his or her driving experience.

Danny Kinahan (South Antrim) (UUP): Is the hon. Gentleman aware that in Northern Ireland our premiums are 11% higher and that we do not have the same caps on injury claims? We need those to be introduced; we do not need Northern Ireland to be left behind so that we are outside the system.

We also have the restricted plate: instead of an L-plate, an R-plate is put on so that the driver cannot go more than 45 mph. Despite putting all those things in place, we still have the higher premiums, and we may be about to leave Northern Ireland out.

Steve Double: I am grateful for that intervention. I was not aware of the points made by the hon. Gentleman. I certainly bow to his knowledge in this area. He has made his points well.

Although the Government cannot intervene directly in the setting of premiums, they can help to establish a situation in which young and newly qualified drivers are better equipped for a life of independent driving. Accordingly, the Government have taken forward a programme of measures to strengthen the way in which people learn to drive and are tested, and to provide opportunities for additional training for newly qualified drivers.

We have also engaged insurers in the process so that they can have confidence that additional measures will make a real difference that can be rewarded. We are focusing our efforts on encouraging learner drivers to do more practice and to practise in a wider range of driving conditions; on ensuring that the driving test
assesses the skills needed for today’s roads and vehicles and those of the future; and on identifying the most promising behavioural, educational and technological interventions that can reduce young driver fatalities.

The Government’s road safety statement, published in December 2015, announced a £2 million research programme to identify the best possible interventions for learner and novice drivers. The road safety statement also conveyed the Government’s wider commitment to addressing concerns about motor insurance premiums for all drivers. It states:

“We will support innovation in the motoring insurance market so premiums become more responsive to safer driver behaviour and vehicle choice. This could include extending the ‘reward based’ insurance approach pioneered through young driver telematics products to the wider motoring community and fleets.”

In essence, insurance premiums reflect the risk of the potential claim both in terms of the number of claims and the cost of each claim. Claims from young drivers are typically four times higher than the average. The statistics are startling and throw into perspective why insurance costs are so high.

Research for the RAC Foundation showed that although teenage drivers make up only 1.5% of full licence holders, they are involved in 12% of accidents where someone is killed or seriously hurt. One in five newly qualified drivers will have an accident within six months of passing their test.

The European Commission notes that in developed countries traffic accidents are the main cause of death among 15 to 24-year-olds; the fatality rate for drivers in that age group is twice as high as that of more experienced drivers. Further, for every young driver killed in a crash, an average of 1.3 other people also die as passengers or other road users. Young drivers with passengers have greatly increased chances of being involved in serious and fatal accidents owing to factors such as peer pressure and over-confidence. Accidents involving young drivers are often caused by loss of control or speeding and are more likely to happen at night.

We must not lose sight of the fact that behind the high insurance premiums are these heartbreaking statistics—lives lost, life-limiting injuries and heartbroken families and friends. The issue is not only or even primarily about money; the real cost of young drivers is the lives lost and the families in mourning. Premiums are typically four times higher than the average. The statistics are startling and throw into perspective why insurance costs are so high.

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We must not lose sight of the fact that behind the high insurance premiums are these heartbreaking statistics—lives lost, life-limiting injuries and heartbroken families and friends. The issue is not only or even primarily about money; the real cost of young drivers is the lives lost and the families in mourning. Premiums can be prohibitively expensive, but of even greater concern to us should be the cause: novice drivers are much more likely to be involved in fatal accidents.

More must be done to address the reasons behind the high premiums and reduce the high accident rate among inexperienced drivers compared with the rest of the driving community. There are many avenues to explore in improving the accident toll and also valid ways of reducing premiums, including improved training and tuition, extending advertising and education around the perils and risks for young drivers, legislation to further penalise poor driving, and compulsory professional tuition. Manufacturers’ innovations and new technologies will also play an increasing role.

There are various ways in which novice drivers can reduce insurance premiums. For instance, Pass Plus is a practical training course that takes at least six hours and helps drivers to improve their skills and drive more safely. It can be taken at any time, although it should be most useful to new drivers in the year after passing their test. However, a more thorough overhaul is due, which I will come to later.

Another option to ease premiums is the addition of a named—usually older—driver with a clean licence and good accident-free record, who may make occasional use of the car and can reduce the overall premium. That is very different from the illegal practice known as ‘fronting’, where a low-risk driver fronts as the main user of the car when in fact it is predominantly used by the inexperienced driver.

Gavin Robinson (Belfast East) (DUP): I am very grateful to the hon. Gentleman for giving way on that point. The consideration about whether what is involved is fronting or a useful tool to lower premiums often takes place after a collision. That is when the insurance company—in my view, unfairly and narrowly—looks at the circumstances. If it comes to the view that the person is fronting or has been fraudulent it cancels the policy and treats it as if it never existed. Insurance companies do not want it to be used as a mechanism to reduce premiums; they are trying to catch people out.

Steve Double: The hon. Gentleman makes a very good point. There are many pitfalls to the issue of fronting. The insurance industry should do more to address that issue at the beginning, rather than wait until there is a claim. Companies happily take the premiums before they address the problem. There is more that can be done to ensure that, when older drivers are put on policies, it is proper and legitimate.

Some insurers now offer telematics policies and fit a GPS-enabled transmitter to the car; I believe that smartphone app options are also available. Drivers under 21 who take out such a policy and have the appropriate equipment fitted are typically offered a 25% discount on the initial premiums. Such policies can also further reduce renewal premiums, as there is a record of where, when and how the car has been driven. High-risk driving behaviours are recorded by the technology and can cause renewal premiums to rise, whereas sensible driving can lead to a significant reduction in premiums.

One insurer, Marmalade, which operates a telematic policy, saw a dramatic improvement in the accident rates of novice drivers. On average, one in five new drivers makes a claim in the first six months, but with monitoring equipment in place, that number improved to one in 16—an outstanding and significant improvement. Telematics policies have been growing in number. In 2009, there were about 12,000, but the technology has become more widely known and continues to fall in price, making the policies more attractive: the number has risen quickly to more than 750,000 today.

Dash-cam technology can also be used to improve driving and can lead to a fall in the insurance price. Some insurers now offer lower costs—typically 10% lower—provided that a camera is fitted and is always activated when driving. That footage is made available should there be a claim. That irrefutable evidence can be very helpful, given that young drivers are sometimes blamed and bullied at the roadside for collisions that are not actually their fault, and there is often a presumption that the less experienced driver is at fault. Dash cams also have the effect of improving driving behaviour, as the driver knows there is a record of how the car has been driven.
Some households enter into a written agreement with the novice driver, in which behaviours such as careful, legal and considerate use of the car are set out. Both parties sign the agreement, which, although not legally binding, offers a clearly set out explanation and brings focus, consideration and thought to the very real responsibilities of driving safely. An example template can be found on the website brake.org.

As helpful and welcome as many of those things are, they fail to address the underlying issue. It is time for us to look at our system for obtaining a licence to drive. It is my view that in this country we teach people to pass the test, rather than educate and train them to become safe and competent drivers. Rhys Parker, the instigator of this petition, said to members of the Petitions Committee:

“if young people are so dangerous that the only way to get them to drive safely is forcing them to pay £200 for an advanced driving test, why don’t we just make the driving test better?”

I agree. I think he has a point.

The driving licence was first introduced in 1903, but there was no test requirement. The test was introduced in 1935, and although there have been some changes along the way, such as the introduction of the theory test in the mid-90s, little has changed. In that time, vehicle technology has changed, cars have become much faster and we have gone from fewer than 1 million cars on our roads to more than 30 million.

The driving scene in our country has changed completely. I believe we need a better, more rigorous and comprehensive system of training and testing that is fit for our age and our roads. I suggest that passing the driving test should be seen not as a one-off, but as a process. Under what has become known as a graduated driving test, new drivers would have restrictions placed on their driving. For example, they would not be able to drive at night or on motorways, or carry more than one passenger, until they received further tuition, gained more experience and further proved their ability to drive.

Jo Churchill: I thank my hon. Friend for the powerful points he is making. Will he consider the fact that some young people in our isolated rural areas need that access? Headway, a brain injury charity, spoke to me about the problem it has with carers. For a young person paid the minimum wage, a huge premium is a tough barrier that can prevent them from following a career they wish to pursue.

Steve Double: My hon. Friend makes a good point; she represents a rural area similar to mine. As I said at the beginning, that can be a real issue. For a young person in a rural area who needs a car to get to work, get a job or access further education, the cost of insurance can be a real issue. My two young sons passed their test quite young, and we had to work with them to find the money for the insurance. It is a real issue, and we need to tackle it at source by looking at the risk, rather than artificially managing it.

Danny Kinahan: Two issues arise from what I said earlier about the R-plate, which limits people to 45 mph for the first six months: first, the issue of not driving on motorways faster than 45 mph, which causes problems; and secondly, the fact that no one is taught how to drive at night. As the hon. Gentleman said, people need special training so they learn those things before they pass their test.

Steve Double: I am grateful for that point.

Jake Berry: I return to the main issue of the debate. Despite all that has been said about changing their behaviour, could young people not legitimately say that when they pay their very large insurance premiums when they first start to drive, they are paying into the Motor Insurers’ Bureau for uninsured drivers? Young people have said to me, “Why should I pay for people who behave badly? Why shouldn’t people who behave well have put money aside to try to reduce premiums in rural areas?” Why are young people compelled to pay for the mistakes of people who insist on breaking our laws?

Steve Double: My hon. Friend makes a powerful point. Our young people are penalised for the fact that lots of people behave irresponsibly and even illegally.

I am not saying that nothing can be done to address the issue of premiums. As I said earlier, there are ways in which the industry can drive down those costs and be more competitive, but I am still of the view that the only way we are going to address this issue in the long term is to deal with the cause: the fact that far too many young people who go out to drive having just passed their tests have accidents. Sadly, too many of them die or get lifelong injuries. What drives me to wanting to improve the situation is the need to make our roads safer for our young drivers. That will result in driving down premiums, but I am as focused on saving lives as on saving money.

As we look to the future, we must balance any action with an acknowledgment that, overall, we drive on some of the safest roads in the world. Technology will rapidly come to our aid and help us to be safer on the road, but in the meantime we must close the gap on the high accident rates of novice drivers—not just so we can reduce premiums, but so we can save lives.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Roger. I thank the hon. Member for St Austell and Newquay (Steve Double) for his comments, and I agree with the basic points that he made. I will focus on some of the issues he mentioned and perhaps refer to one or two other issues that are relevant.

The first point, and one that we should all accept, is that this petition is extremely important. It not only draws attention to an issue that is of great concern to many young people and their parents, but suggests a remedy, which is important. Even if the remedy is problematic, the petition suggests what to do about the problem, rather than just enunciating it. Figures have been presented to us. The cost of premiums for young people is currently between £1,450 and £7,000. There is clearly a massive problem there. That has resulted in a number of things. Some young people who need to drive are not driving. They are people who need to get to college, to work and to get on with their lives. That problem affects not solely those living in a rural area; it can affect people living in other sorts of areas as well.

The problem can also lead to people fronting—an illegal practice in which an older person, perhaps a parent, applies for the insurance and acquires it, but in
leading to overconfidence, in particular among young males, and that can affect driving. Carrying passengers may also be a reason for that higher risk. Sixteen to 17-year-olds carrying passengers are four times more likely to die in a crash than those not carrying them. That figure must make us all sit back.

The fatal four reasons for death and injuries on the road—the major reasons for accidents and deaths on the roads accepted by the police—are speed and driving too quickly, drink and drug-driving, not wearing seatbelts, and driving when distracted, such as when using mobile telephones, although there are other distractions, too. Action is needed in all those areas. Better training is necessary, as are a reassessment of the driving test, which is being looked at again and is highly relevant, and educational and public awareness programmes.

One factor has developed since the time of that earlier Transport Committee inquiry: the growth of telematics-based insurance, which is insurance where premiums are related to the nature of the driving skills, rather than simply to the age of the person. There are 75,000 telematics-based insurance policies. Perhaps it is connected with the idea of graduated licences, where new drivers—they are mainly young but not always—are not able to drive exactly when they want, with as many passengers as they want, at all times of day or night, until they have had more experience. Telematics looking at driver behaviour, together with the idea of graduated driving licences, could be a solution to the problem, together with better training and better awareness of safety.

I will give one word of warning in relation to costs coming down. Insurers tell us that their premiums are based on the level of risk assessed. The assumption is that, were some of the level of risk to be reduced, the premiums would come down; the measures were enacted, but nothing has been done in the meantime. What was said here, say how correct it was and how it is still correct, but nothing has been done in the meantime. I hope that we have action.

I congratulate Rhys Parker and the petitioners on putting the e-petition together to ensure that the issue is ongoing. Action has to be about improving safety, saving lives, preventing serious injuries and ensuring that insurers face up to their responsibilities and keep premiums low. Action is needed in all those areas. Better training is necessary, as are a reassessment of the driving test, which is being looked at again and is highly relevant, and educational and public awareness programmes.
I represent a rural constituency of 200 square miles, where the car is an essential way of life, particularly for the young, for whom getting out and engaging has never been more important, given the advent of social media and their ability to communicate while on their own in their bedrooms. It is vital that we do everything we can to let them get out and about and interact with the world around them. That is more important now than it was when I was young. We talk in this place, rightly, about social mobility. In rural environments where people’s ability to access public transport, let alone pay for it, is somewhat restricted by the loss of bus services and other difficulties, it is hugely important for our young people to be able to go out to work, earn money and get a foot on the ladder, because without that ability, they may be held back and not climb the ladder.

I congratulate my hon. Friend the Member for St Austell and Newquay (Steve Double) on leading off this debate. We ended up in a discussion about whether tests have become easier. As we get older, we tend to slip into the mode of saying, “It was much harder in my day.” When I learned to drive and took my test, I did not have to reverse into a space—I found that to be a drawback when I moved to London, and I was not required to sit a written exam, as our young people are, so I might argue that tests have actually got harder. I remember being asked by my examiner what green meant at a traffic light. If the test has got harder than that, things are getting better.

I shall focus on the need for the insurance market and perhaps the Government, through incentives, to ensure that premiums are based on specific risk rather than a specific class, which is how young people are currently grouped.

Mrs Anne Main (St Albans) (Con): My hon. Friend is making an excellent speech—I hope that I can contribute to this debate—but premiums actually are not based solely on risk. It used to be the case, a while ago, that young men paid higher premiums than young women. Of course, we were told that that was discriminatory, but it actually reflected risk—that is what the statistics said. Sadly, a lot of young women’s premiums had to rise to ensure that everything was fair and equal. I do not think that premiums are always based on risk—other things sometimes come into play.

Huw Merriman: My hon. Friend is absolutely right—I wholeheartedly agree. The Transport Committee and the Petitions Committee met jointly to hear evidence. We heard from the head of research at the RAC, who said that

“insurance costs are based on four main things: the cost of the vehicle; the likelihood of theft; the cost of available claims generally, if you were to make a claim; and the risk of the individual.”

It is absolutely clear that, on average, 17-year-old boys present twice the risk of 17-year-old girls, yet no price differential at all is offered. As my hon. Friend mentioned, there was such a differential, but prices had to be equalised as a result of the gender directive. Of course, in life, prices tend to go up rather than down. To a certain extent, she makes a point that I wanted to make—we should look at individuals’ performance risk and price insurance comparatively. In the United States of America, where the insurance market is much more tightly regulated, there is a requirement to look at specific risk rather than a class. Will the Minister consider whether the time is right to look at this issue from a regulatory perspective?

A 17-year-old new driver is 40% more likely to have an accident than an 18-year-old, yet I dare say that premiums do not fall by 40% in that year, because there is a tendency to look just at age. I received information from one of the telematics companies that seems to suggest that, by the time people reach 29, men and women present the same risk, and the curve drops dramatically.

At the moment, pricing is measured crudely for young people. Insurers tend to look at young people as students who live at home, drive small cars and have no driving experience, and therefore make no allowance for their performance. That is why telematics is such an exciting concept. The advent of telematics means that, rather than putting in place a cap that does not bear any relation to risk, insurers can reward good drivers and penalise people who do not drive so safely. With more telematics in place, 1,000 accidents involving death or serious injuries would be averted, so I dare to suggest that the cost to the Government would reduce. Telematics have developed to such an extent that the software can talk to emergency services to warn them of an event. We all know that early response to an emergency can save lives and, if we are crude about it, money, including for the state.

I would be interested to hear from the Minister about what we can all do and what the Government can do to incentivise the development of telematics. Given the cost savings that I mentioned, is there a case for insurance premium tax to be reduced for drivers who use telematics? VAT is charged on the box that is required to use telematics, which reduces the cost benefits, so, again, could some exemption be made as far as that is concerned?

The insurers’ discount rate was changed from 2.5% to minus 0.7%. Although that happened after the petition was started, the petitioners would maintain that their insurance premiums were high enough as they were. Unfortunately for the Transport Committee, that change was a live issue for insurers when we heard evidence. I am pleased that the Government have decided to look again at that rate, but we made the point to representatives of the insurers and the Association of British Insurers that their attempt to state that the change would cause young people’s insurance premiums to double was rather crude given that they did not seem to have research to bear that out. Actually, I do not believe they have provided the research that they promised to the Committee. We should perhaps always go hard on insurers and work hard to ensure that the evidence for the claims that they put out—they always say they are based on evidence, yet we do not see that evidence—is in the public domain, so that pricing for young people is demonstrably linked to the risk that they pose as individuals.

5.17 pm

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger, and to speak in this debate. Members have already made excellent contributions, and I feel like I am stepping into an expert field, given that there are so many people present who work on established Committees that have looked at this issue in detail. I shall focus first on the importance of this issue in rural areas, which has
been well covered, and then give a specific example from my own constituency of a fantastic initiative that Governments could learn from.

The rural aspect of this issue is particularly important. As we have heard from most Members, we live in beautiful constituencies. It is good that we have not all tried to claim that ours is the most beautiful, as often happens when we talk about—[Interruption] There we go—“It’s mine!”, “Mine!”, “I’m Spartacus!” Apologies, Sir Roger, for starting that and for any claims that may follow, but the most beautiful is clearly mine.

The very beauty of the geography presents several challenges. If someone in a rural area gets a job, a training opportunity or whatever positive outcome young people now seek after school, it is more likely to involve travel over a longer distance, and those areas generally struggle when it comes to public transport, so having a car is more of a necessity than ever. With that comes an increased danger. People can come and drive in my beautiful constituency, but good luck in getting up to certain speeds. Young people in particular are getting themselves killed or injured because suddenly there are open roads in front of them. There is a particular threat associated with the beautiful geography we all so enjoy. When it comes to accessing a car at a reasonable price, because of the cost of insurance, more and more people are having to buy very poor quality cars, as all the money goes on insurance. Therefore, when they have an accident, they are more vulnerable than they might have been, had the cost of insurance allowed more of their investment in driving to go into the vehicle rather than to the insurers.

That is the backdrop. The road death and casualty figures are depressing and stark, as is the detail behind them and how many of those impacted are young people who have suddenly learned to pass the test. I remember a scare I had as a young driver, let out for one of the first times in my mum’s Citroën AX, going across the hill road between Innerleithen and Heriot, thinking I could now drive, when of course I was still learning—we are all still learning. I nearly came off at a corner because of my inexperience. I got lucky; it was luck that saved me from being part of a statistic. Young, inexperienced drivers and open roads are a dangerous combination.

This is an area where Government must be proactive in seeking solutions. It is great to hear some of the suggestions drivers and open roads are a dangerous combination. People can come and drive in my beautiful constituency, but good luck in getting up to certain speeds. Young people in particular are getting themselves killed or injured because suddenly there are open roads in front of them. There is a particular threat associated with the beautiful geography we all so enjoy. When it comes to accessing a car at a reasonable price, because of the cost of insurance, more and more people are having to buy very poor quality cars, as all the money goes on insurance. Therefore, when they have an accident, they are more vulnerable than they might have been, had the cost of insurance allowed more of their investment in driving to go into the vehicle rather than to the insurers.

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This is an area where Government must be proactive in seeking solutions. It is great to hear some of the suggestions that have come forward today.

Let me turn to a specific area in my constituency. On Saturday 21 May last year, I was invited to attend a young drivers event at Charterhall near Duns. I went along, as we do—“That looks interesting; yes, I’ll happily go and do that”—and found a phenomenal set-up, where the police, working with local car dealerships and the Institute of Advanced Motorists, were taking out young drivers from the age of 14. I will say a bit more about that, but what drove them to do that was the loss of life: how do we stop young people getting in a car, thinking—as I did—that they can drive and then putting themselves and others at risk? One way is to try to demystify driving to some extent, by starting people younger.

These were young drivers, aged 14 and up, being put in a car with a highly qualified instructor to learn in an off-road environment—it was on private land—on a day’s course. I was so enthused by this, and the next day they said, “How old are your kids, Calum?” and I said, “My eldest, Eleanor, is 14.” “Why don’t you bring her tomorrow?” I thought, “Oh, I don’t know if Eleanor will do that. Is that cool? Her dad’s an MP; it’s quite a daunting thing if you’re 14. She might think, ‘Do I really want to go and try that? I can’t learn until I’m 17 anyway.’” But, fair play, Eleanor said, “I’d love to do that.” We came back and spent the whole Sunday there, and at the end of the day, she drove me—still with the instructor—around this disused road.

We usually get lots of declarations of interest from people who are farmers, and many farmers will know—we are talking about a moveable object on private land—how young or old they were when they first started helping around the farm, but what a fantastic idea: start people experiencing driving early, so that once they are 17 and get their provisional and then sit and pass their test, it is not as big a deal. They do not feel the need to go on a road and hammer it or show off in front of their friends; they have de-risked it.

I saw that project in action, and my daughter Eleanor, who is now 15, experienced it. What a fantastic initiative. Since then I have been working with the key people involved. I want to mention them, first because the Government may want to reach out and have a look at what they are doing, but they also deserve phenomenal credit.

Andy McLean, the local area commander for the police in the Scottish borders, is a driving force for it. The police see added benefits, because suddenly they are working with and sitting alongside a young person in a car, not trying to catch them out. Local bobbies on the beat are not quite as prevalent as they once were, so the scheme enables them to build relationships and trust in a different way. However, the programme could not happen without the support of a certain John Cleland. I do know if any hon. Members know John Cleland, but they should google him and look at what a phenomenal driver he was, and still is. He was a British touring car championship winner twice—and he was robbed a third time, as he says; there are fantastic videos on that.

John has put a lot of personal effort and even money into getting the programme up and running, working with the Institute of Advanced Motorists. The next step was to apply for funding through Transport Scotland—there is a devolved powers element involved—and we are now taking that initial piece of work and building it into a broader programme. The Scottish Qualifications Authority is looking at putting together a package for schools, and headteachers in the borders have been approached as to ensure that there is time in the curriculum for young people to come and do that. In the months ahead—the next session is in April—young people from across the borders will come again to Charterhall. Volvo is stepping up, with fantastic sponsorship in terms of cars, but the money from Transport Scotland was critical. We are trying to take what is clearly a fantastic idea and put it into something more credible and bigger.

I commend the programme to the Government and hon. Friends and Members, who should look at such a programme, because it is exactly the type of thing that all Members have referenced. How do we make driving safer? If we make it safer, premiums will come down—and, above all, we will save lives, which is what it is all about. I would be happy to provide the Minister with more details and to invite Ministers to visit—the Scottish Transport Minister will be coming to one of the upcoming sessions. If we can make some headway, the scheme can be replicated, and it absolutely will make a difference.
Mrs Anne Main (St Albans) (Con): It is a pleasure to serve under your chairmanship, Sir Roger, in this important debate. While I disagree with capping fees, it is immensely important that we look at how the insurance industry treats our young drivers, because as I said when I intervened on my hon. Friend the Member for Bexhill and Battle (Huw Merriman), it is not treating them fairly. A lot of things have come into play since the gender directive. We all remember the adverts with pink ladies and all the rest of it, where young ladies and women could get car insurance that reflected the risks they were likely to encounter, and surely that is what insurance should be about.

As the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) said, we have all been young drivers. We were all pretty young and stupid then, and we learnt to drive as we went along. I am certain that every single one of us had a few near-misses or skirmishes with gate posts—there were none of the reversing sensors that we may have now. As the hon. Member for Liverpool, Riverside (Mrs Ellman) said, this has been going on for a very long time. There is nothing new in young people being more likely to make mistakes and slip-ups.

May I say that I have the best and most beautiful constituency? But I think I also have the worst roads. Previously, roads certainly did not have the craters—they are not potholes—we have in Hertfordshire and many other parts of the country. Road maintenance must be part of this. Road markings are often poor or obliterated, lighting is often poor and vegetation is often not cut back. That is all part of the picture for young and inexperienced drivers. If a road hazard sign has been defaced or is not visible because of vegetation, that is no help to a young, inexperienced driver.

Insurance companies are getting away with murder. We have not mentioned the fact that there are criminals who ram the back of cars—and who better to target than a young person in a scruffy old car? There are people who cry wolf about injuries that they certainly did not experience. All that has been factored in and spread across premiums. All of us have been in the position where our driving was a little rockier than it might have been. Perhaps now we should accept that insurance should spread across the whole age group, and that is where I find sympathy with the direction of the petition.

I am worried that this is a social mobility issue as much as anything else. In constituencies such as mine, where the average house price is more than £550,000 and where £1,200 does not rent an awful lot of property, young people who want to leave home or get jobs are priced further out. The golden rule is: the nearer the train station—which has wonderful links to London—the safer. The whole picture needs to be taken into account by the insurance industry.

It seems unfair that, because of the high rents in areas such as mine, young drivers who have to rent in a less salubrious place than they might like—I am sure we all want to live in a nice area—should then have that weighted in their car insurance, because of the actions of those who come into that area and decide to deface, take or wreck their car, or use it for a criminal purpose. I do not believe that the insurance companies play a fair game. That is why the drift of the petition is extremely important.

John Howell: My hon. Friend is making an excellent point, but is she worried, as I am, that where people live is not the only factor in the situation? The additional premiums force young people to buy older cars, and if they do that, they are generally buying cars that are less safe.

Mrs Main: My hon. Friend makes a pertinent point, but for many young people the price of the car is the least of their worries. A fairly reasonable little runaround can be had for less than £1,000, which is about 50% of the cost of insuring the thing. They buy older cars because they have to, but unfortunately those may not have all the gizmos that make them safer or easier to drive, such as the reverse parking sensors that I mentioned. Those are beyond the wildest dreams of many young people, without—which is the thrust of my comments—the bank of mum and dad. I am a bank of mum and dad, as I am sure are many of the right hon. and hon. Members taking part in the debate.

My son is 21—and probably will not thank me for mentioning him in the debate. We bought him his car and paid the insurance premiums. We helped him with petrol when he was 18 and studying for his A-levels, because I did not want him to worry about whether he could pay for his car, and I wanted him to get to places safely. I have four children, who are all grown up now, but, particularly in the case of my daughters, I did not want them to be at the mercy of a bus that might not turn up if they had been to entertainment away from where we live.

Many a parent has such a dilemma. Often, perversely, the safest way for young people to get home at night is to drive. Buses often do not run into the rural areas, of which there are some in my constituency. Let us be reasonable: if young people are out, at 20, a 10 o’clock curfew is not going to happen, is it? That is what makes me say that insurance premiums should be spread between all of us. Parents want our young people to get home. We want people to be able to rent a property or a room further out. To bring the argument back to my 21-year-old son, he has gone on to a higher level apprenticeship, and he could not have got access to it, up in Macclesfield, if he could not drive. It is vital—otherwise, many people would not be able to take up opportunities such as apprenticeships or other work that they wanted to do. Mention has been made of carers working in rural environments; such opportunities are not open to young people if premiums are so high.

Eighty-six per cent. of St Albans residents have access to a car or van, which is above the county average, and 89% of residents aged over 17 have a full driving licence. The roads in my area are incredibly congested. Therefore, not only is there competition to get to the jobs and to
live in areas that people can afford but they are dicing with the M25 and the M1, some of the biggest and most difficult stretches of motorway in the country. Some of the comments that have been made in the debate about expanding people's driving experience are hugely important.

I am concerned that, as with many aspects of life, if someone's parents can afford it, they will be able to afford to be mobile and live somewhere affordable. The children of those parents will have opportunities that other young people do not have. Perversely, although in areas such as mine there is a deficit of blue-collar workers —there is no trouble in finding a job in St Albans, which has almost zero unemployment if a young person wants to work in such industries as caring or hospitality—people in those jobs probably do not live in St Albans. The point I am making is for young people everywhere, because not everyone has access to the bank of mum and dad.

This a question of whether we are truly interested in equality—in this case, equality of opportunity. The insurance companies are having a merry game of it. I know that this debate is about young people and not elderly people, but, believe me, there are a lot of 'bashed up cars in Waitrose car parks as a result of people such as me making on the delights of an automatic car, because they are rather elderly and their hip or knee does not want to press a clutch any more. I can say that because my eldest son works in Waitrose, and it is amazing how often it happens. I am sure that many people will have seen similar things. The elderly are driving for far longer than they would have years ago. They, too, are forced into it by a lack of bus services and so on, but in many cases people who go over to an automatic car have problems with the premiums.

We accept that there are times in our lives when a bump and a dink are more likely to happen. I would like a more pragmatic approach from the insurance companies. They need to be more accountable and to justify the way premiums work. It is disgraceful to just accept a set of statistics that says, "If a person is a young driver, they're more likely to have an accident; therefore, we'll just price certain young people out of being mobile." I would not want to think that young people can be in the privileged position of being free to go where they want only if they happen to have a bank of mum and dad. We should all be concerned about that, because there will be huge parts of the country where young people will probably drive without insurance, and that is the worst possible thing for everybody.

5.38 pm

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger, and to speak in the debate.

I must declare an interest as a 25-year-old driver who has just renewed his car insurance. It was not as bad as I thought it would be, which is good to report. I do not expect any hon. Members present today to lend me their car, for any amount of money, but the fact that 185,000 people signed the petition shows how much of an issue insurance is for young people. I grew up in and represent a rural area and I know how important cars are to enable young people to get around for work, leisure and social life. In rural Aberdeenshire, much of that takes place in Aberdeen, and people need a car to get there. I used to have to walk for 40 minutes to get the bus before I could drive, so this is a real issue.

The increased use of cars in every aspect of young people's lives does increase risk. However, like any other age group, young people are not all the same; there are good drivers and bad drivers. Obviously, the statistics show that young people are more likely to have an accident, but as the hon. Member for Bexhill and Battle (Huw Merriman) mentioned, using black boxes to measure the driving ability of individuals is so important. The son of one of my members of staff has just passed his driving test and has a black box in his car; he refuses to let his mum use the car because she puts the bad driving statistics up. It is important to say that not all bad drivers are young drivers and not all novice drivers are young drivers, although the cost of insurance tends to go down once somebody reaches 25.

Car insurance costs rose by 102% from 1994 to 2011; as has been mentioned, that is in no small part due to whiplash claims, which now add approximately 20% to each policy. That is particularly damaging to young people—96% of young drivers now think they are being priced off the road. The issue is further compounded by the increase in the standard rate of insurance premium tax from 10% to 12% from June, which will hit individuals with the highest insurance premiums hardest: young people and those living in high-crime areas. That, along with a whole lot of other things, is hurting people.

It has been said that millennials—my generation—will probably be the first generation who are worse off than those who came before them. We have to look at that as a whole when it comes to premiums for young drivers. Obviously, many jobs require individuals to be able to drive; I would not be able to do my job if I could not drive. Being able to drive can still be the difference between successfully securing a job and failing to secure one.

As has been said, the issue is fundamentally about social mobility. Making longer distance travel easier for those without access to quick, regular or close-by public transport could increase their chances of employment. Another problem that young people face, particularly in rural areas, is sometimes having to wait up to five months to get a driving test. As hon. Members will imagine, that increases their frustration and also means that they have to spend more money on taking top-up tests.

I would like to see powers in this area devolved so that they can be better tailored to rural areas in Scotland and Scottish drivers. I learned to drive when I was 16 in a field with my grandpa, who is a farmer and a former Member; unfortunately, it did not help me to pass my test first time. However, I thought what my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) said about 14 year-olds being taught how to drive in school was interesting. I was taught how to cycle in school time—I did my cycling proficiency test in primary school; I do not know how many other hon. Members did that—so I thought that idea was interesting and should be considered more widely.

I have disagreed with some points that have been made, such as preventing younger people from driving at night. Where I come from in the north-east of Scotland—

Mrs Main: It is dark all the time.

Stuart Blair Donaldson: It is dark all the time—absolutely. In winter, it gets light after 8 o'clock in the morning and gets dark at about 4 o'clock in the afternoon. Not driving at night would be a real issue and prevent a lot of young people from working.
The constituency that I represent, West Aberdeenshire and Kincardine, has the second highest number of road deaths in the UK, for which there are a number of reasons. Councils, the police, the fire service and the Scottish ambulance service in Grampian run a programme called “Safe Drive Stay Alive”. It has been going for 11 or 12 years; it was certainly on when I was at school. It brings local schools together and shows them a presentation that, to be honest, is pretty horrific. It has graphic images of car accidents, speeches from people who have lost loved ones and speeches from people who have been paralysed by car accidents.

The programme has a huge impact on young drivers, and to some extent I think it is effective in scaring young people into realising that, when they are learning to drive and when they pass their test, they are in charge of a machine that can quite easily kill somebody. It is important to emphasise that learning how to pass a test is not the same as learning how to drive; I am still learning how to drive to some extent.

Huw Merriman: I absolutely agree with the hon. Gentleman on curfews. The analysis seems to show that telematics companies that put curfew penalties in place were causing more dangerous driving, because young people were trying to get back in time. I applaud the move to give people hours on top—almost pay-as-you-go—as a reward for good driving, rather than curfews or things like that.

Stuart Blair Donaldson: The hon. Gentleman makes an important point. When I was at school, I had friends who were involved in serious car accidents, and somebody a couple of years above me was killed in a car accident. It is so important that, when educating young people, we strongly emphasise that driving is an incredibly important part of life, but that they need to take it seriously, be careful and show respect to other road users.

There are some other issues that do not pertain to young people. As one who comes from a rural area, I find Sunday drivers coming out to the country from Aberdeen incredibly frustrating. When people do not know how to drive on country roads it is incredibly dangerous; there can be really sharp bends, tractors or sheep on the roads. The issue is not all about young people; we need to look at this much more widely and consider all the options.

Richard Burden (Birmingham, Northfield) (Lab): It is a pleasure to serve under your chairmanship, Sir Roger. I add my congratulations to the hon. Member for St Austell and Newquay (Steve Double), and I congratulate the Petitions Committee and the Transport Committee on their work in bringing the debate. I also congratulate all hon. Members on the contributions they have made.

The petition that gave rise to the debate raises so many important issues about the astronomical prices of car insurance premiums for 18 to 25-year-olds. Those premiums have been shooting up while wages have often stagnated for people in that age group and their overall cost of living has increased—a point made ably by the hon. Member for St Albans (Mrs Main).

The debate also takes place against a background of changes in the way many young people look at questions of their own personal mobility. The hon. Member for St Austell and Newquay mentioned driving being a “rite of passage”; I am not so sure that that is the case for all young people these days. Driving is one of a range of different options that they see for getting about, and looking at things in that way is not necessarily a bad thing; there are some journeys for which the use of a car is not the most appropriate. I guess that hefty insurance premiums are at least one of the factors that has encouraged some of those changes of attitude. That said, I am certainly not arguing that there is nothing to worry about.

As many hon. Members have said, the different options on how to get about are not equal everywhere; they are greater in urban areas than in rural ones. For many young people, access to a car is not only about the ability to have a social life—it can make the difference as to whether they can get to college or to a job. Indeed, if we look at the data map for this petition, we see that many of the 180,000 signatories were from outside major cities, with a particular concentration, interestingly, in the north-west of England. No doubt many of the signatories to the petition feel that they cannot overcome the huge barrier of big insurance premiums that prevents them from accessing a social life, employment and education.

The idea that it is easy to get about without a car in towns is sometimes overstated. It is often thought to be easiest in London. In many ways, that is true, and many of us look with great envy at the state of public transport in the city. The way that buses are regulated and operate in London is something many of us aspire to. Who knows—if the Bus Services Bill finds its way through the House without amendment, we may get nearer to that situation. However, when the Petitions Committee and Transport Committee took oral evidence on this petition, they heard that many young people—even in London—feel they have to rely on cars to get to work. Some 22% of 17 to 34-year-olds travel to work in London by car and feel they need to do so.

It is right that we address this issue. The Petitions Committee and the Transport Committee heard some really interesting evidence from a whole range of quarters about the different ways in which it can be addressed. For example, the Wheels 2 Work scheme showed some really imaginative thinking about how young people’s personal mobility can be increased, often by the use of two-wheel transport—not simply bicycles, but electric bikes, motorcycles and scooters—as well as four-wheel transport. It is doing some imaginative work on that, to provide young people with access to that kind of mobility.

Jo Churchill: Although I agree with the hon. Gentleman and congratulate Wheels 2 Work on its excellent work, that project is quite sparse and gives wheels for only six months. One in six people say they need a car for an apprenticeship, which often lasts for two years, so the two things do not marry up. Although the project is good, it is not overly practical, particularly in rural areas.

Richard Burden: The hon. Lady is right. Indeed, one of the points that Wheels 2 Work made when it gave evidence was that if the project is going to make a major
difference, it needs a lot more backing so that it can both offer longevity of access to transport and reach different corners of the country. I simply raised it to say that such schemes are part of the picture and are things we need to think about.

The issue of prohibitively high insurance premiums for cars remains. A number of hon. Members today made important points about how, whether or not a cap on insurance premiums is the right way to go—the majority who mentioned it came out against—there is a need, at the very least, for greater transparency in the insurance industry about the way premiums are put together, the calculations that lead to different kinds of premium across different classes of driver and the impact of insurance premium taxes. We need that greater transparency at a policy level, but perhaps insurance companies and brokers should also think about it at the individual level, so that individual car owners and drivers can find out why a premium shot up from one year to the next and what increased risk was identified at that time.

Be that as it may, the insurance industry will still come back to the point—it has come up several times today, and rightly so—that, statistically, young drivers are much more likely to be involved in road incidents than those over the age of 25. As we know, the statistics are particularly stark among young men. There is, in truth, no silver bullet to tackle that issue. It needs to be tackled on a whole range of fronts and looked at in a rounded-out way. That is why many of us have felt for some time that there needs to be a proper Green Paper on young drivers and their safety, looking at the options for the future.

If we go back to March 2013, the headline of a Department for Transport press release stated:

“Government to overhaul young driver rules in bid to improve safety and cut insurance costs: Green paper on improving the safety and reducing risks to young drivers launched.”

Four years later, we are still waiting to see that Green Paper to explore the options for improving the safety of newly qualified drivers. We have never seen the result of that launch. At the end of that year, pursuant to a question I asked, the then Secretary of State for Transport explained that his Department was still “wrestling with how to make things safer while not unduly restricting the freedom of our young people... We are finding this a difficult balance, with passionate voices on both sides. We will issue a paper when we have considered this further.”—[Official Report, 18 December 2013; Vol. 572, c. 629W].

Four years on, despite calls from road safety campaigners and the insurance industry, the Government appear to have stopped considering the issue, and there is still no sign of that Green Paper on young drivers. If the Government really wish to do something about this critical concern, one of the core issues with the cost of car insurance for 18 to 25-year-olds, I ask the Minister again: is there going to be a Green Paper on the safety of young drivers? If so, when can we expect to see it? If not, why not? It seems an obvious thing that the Government should be doing.

What kind of thing could the Green Paper address? Telematics or in-car black boxes have come up several times in the debate. They can enable insurers to assess real-time data on an individual’s driving behaviour and charge more accurate risk-based premiums. As we have heard, in some cases new drivers can see their premiums fall by a fifth or more as a result of telematics. Anything that can enable responsible young drivers to be charged fairer prices for their insurance and bring down the number of road incidents has to be a good thing.

Black boxes are not, of course, necessarily a cost-free option. Nick Moger, the founder and chairman of Marmalade, a car insurance company specifically targeting young and learner drivers, explained in his written evidence to the joint Petitions and Transport Committee inquiry that black boxes are currently subject to VAT, which pushes up costs for insurers and young drivers. The question must arise of whether it is appropriate to remove VAT on technology that can prevent or at least reduce road incidents and save lives.

[Mr Peter Bone in the Chair]

The other issue that comes up is of course that telematics can often be fitted most reliably to new cars—cars that young people are often unable to afford, unless, as the hon. Member for St Albans said, they have access to a well capitalised bank of mum and dad. Telematics as a solution, or at least as a contribution to a solution, to reduce insurance premiums is not necessarily one that is available equally to all new young drivers, so it could be part of the package but not the whole package.

This week, the Vehicle Technology and Aviation Bill is in Committee; it had its Second Reading a couple of weeks ago. A number of us are serving on the Committee and looking at the Bill. The Bill itself looks at other things that could have a major impact by, we hope, reducing the number of young people involved in incidents on our roads, making our roads safer and perhaps reducing the cost of premiums. The Bill looks at how the insurance treatment of automated vehicles could change in the future. We already know that the use of technology to assist drivers can have a big impact in promoting road safety and reducing the risk of incidents. I am thinking of things such as autonomous emergency braking and so on. However, we are now looking to a future that not only involves those driver assistance mechanisms, but in which the ability to be in a car and travel from A to B may not depend even on having a driving licence in the form that we know it. The car itself—the vehicle itself—could be doing the driving for some or all of the journey. That has huge potential to improve safety, but again it is really important that the insurance consequences are got right. The Bill looks at how that can be done, and it is hoped that, if the Bill gets it right, that could contribute to falling insurance premiums as safety increases through automated vehicles. If we get it wrong, it could be another way of insurance premiums rising.

There are other things that a Green Paper could address if the Government produced one. The question of graduated licensing has come up again today. That involves looking at how and when new drivers or young new drivers can drive, having passed their test. There could be restrictions on the times of day when they could do so or on the number of passengers they could have in the car with them. It is not an easy question, and there are real concerns about what it could lead to, such as unreasonable curfews on young drivers. What if a graduated licensing scheme leads to a young driver being forbidden to travel at night and they work in a bar in a rural area? The wrong sort of graduated licensing scheme could restrict opportunities and be quite unfair.
Mrs Main: The hon. Gentleman is making some excellent points. My other concern about that proposal is this. We encourage people to car share, but if, for example, students were forced to drive their own cars individually instead of getting into a car with a group of other students to go off to college for lectures or whatever they were going to do, we would be increasing the number of cars on the road, which in areas such as mine is the last thing anyone wants.

Richard Burden: The hon. Lady is right: all aspects of graduated licensing need to be considered. A menu of different kinds of graduated licensing could be brought in. I will say this, though. Although it is right to be aware of the drawbacks of the different kinds, it is also the case that, in a number of other countries, the introduction of different forms of graduated licensing has promoted road safety and reduced the prevalence of new drivers and, in particular, young drivers being involved in incidents. That is why many safety organisations, the insurance industry and, indeed, research from the Government’s own Transport Research Laboratory have said that it needs to be considered seriously.

We are back to why we need a Green Paper. A Green Paper is just that. It is not a blueprint or a set of specific proposals; it is a discussion document that lays out the kinds of option that need to be looked at and the kinds of area where Government action may be necessary, and puts that out to consultation. Given that the insurance industry, road safety campaigners and so many others have been calling for this for years and given that the Government themselves felt in 2013 that producing a Green Paper was the right thing to do, I simply do not see why we are still waiting for one to be published.

On road safety, there have been important initiatives in relation to the practical driving test: the greater focus on independent driving, including the use of sat-nav, as well as time spent on high-speed roads other than motorways. Anything that allows examiners to make a better assessment of a candidate’s ability to drive on all types of road is important. All those things should be able to reduce the number of casualties and collisions on our roads.

The hon. Member for St Austell and Newquay was right in one of the first things he said: all too often, the driving test tests a driver’s ability to pass the test, rather than their ability to drive. That is why we can be much more imaginative about how the driving test is developed. Part of that goes back to whether graduated licensing could come into it. It also raises questions about whether speed awareness can be incorporated more into the process of learning to drive, and whether the concept of appropriate speed, as well as the concept of speed limits, could form part of it.

Of course, hon. Members have also been right to say that, beyond the question of the test itself and learning for the test, there can be all sorts of other initiatives in relation to early driving to promote the idea that, when a young person gets their provisional licence, that will not necessarily be the first time they have sat in the driving seat of a car and been able to get some experience. I was really interested to hear about the early drive courses that take place up in Duns and the involvement of John Cleland. It is interesting that they are taking place in Duns: Charterhall was of course the circuit where one of the most famous racing drivers of all time, Jim Clark, learned his craft. I am absolutely convinced that that kind of early drive course can help.

At the other end of the scale is the “Safe Drive Stay Alive” initiative talked about by the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson), who speaks for the Scottish National party. I have seen the work of “Safe Drive Stay Alive” and the impact of the really graphic way in which it portrays what happens if we lose a loved one in a road incident—the impact that that can have on young people in schools. Again, it is right that we support something that can contribute to reducing the number of incidents.

This issue has to be tackled on so many different fronts. My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) was right to draw attention to the Transport Committee’s work on enforcement, because part of the picture is ensuring that the regulations that we have are properly enforced. It is very difficult to reconcile proper enforcement, on which the Transport Committee has done some really important work, with the cuts in the number of traffic police; they have been cut by about one third outside London. If we want to make our roads safer, part of that is about the way we use our drivers, part of it is about the way the tests are examined and part of it is about the technology available in motor vehicles, but a vital part of it is how we enforce the laws that are there. Frankly, the cuts we have seen in traffic policing are incompatible with that.

Another thing that is part of the equation and that we need to bear in mind is the question of road safety targets. If I am right that the strategy we need to employ to make our roads safer involves different agencies—examiners, local authorities, the police, the insurance industry and many others—is it not time that we have shared responsibility for making our roads safer? In other parts of the world and international bodies that we are part of, road safety targets are seen as something should be supported. We used to have road safety targets in this country until they were abolished by the coalition Government. They played an important role in focusing minds, and contributed indirectly to the fall in the number of people killed or seriously injured as recorded in the casualty statistics that we had in this country—those statistics are now sadly starting to level-off and there are worrying signs that they are starting to go in the other direction.

This has been a constructive debate and some important points have been made. There is no silver bullet. In conclusion, the elements that could help to address the issues we have talked about today are as follows. In the insurance industry, we could see far greater transparency at both policy level and the individual level. On the governmental level, it is time we had a Green Paper on young drivers so that Government can have a rounded look at what is required. That could, and should, include the potential of telematics and graduated driver licensing for improving safety on our roads and reducing incidents among young people. It is important that we get the Vehicle Technology and Aviation Bill right to ensure that it leads to the reduction of premiums for automated vehicles, and not the opposite. It is important that we look imaginatively at improvements to the driving test and at ways of educating young drivers before they have their provisional licence and in post-test learning. We need to ensure that the right numbers of traffic police are there to enforce the laws we have, and it is time that
we brought back road safety targets so that we can have a vision for zero being killed or seriously injured on our roads. Other countries have piloted and pioneered “Vision Zero” and there is no reason why we should not have it as well. Bringing in road safety targets is a direct way in which we can contribute to a strategy for achieving that vision.

6.13 pm

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I thank and congratulate my hon. Friend the Member for St Austell and Newquay (Steve Double) for opening this debate on the important subject of the cost of car insurance for young people. I also thank all hon. Members for the very good debate we have had this afternoon.

I reassure hon. Members that we take the cost of car insurance for young people—indeed, for all motorists—very seriously. Ultimately, the issue is about road safety and recognising that many people lose their lives or are seriously injured on our roads each year and that behind each statistic there is a shattered life and a shattered family. This is not just about numbers, but about people.

I congratulate the original petitioner, Rhys Michael Parker, who described his own experience of finding motor insurance costly to obtain as a novice driver. I recognise that, like Mr Parker, many young people use their cars to access work, education, caring responsibilities or even just the fun of social activities.

I remember receiving my driving licence—that moment might be 33 years ago to the week for my hon. Friend, but it is almost 36 years ago to the week for me; I took a moment to work that out. Getting a driving licence is a fantastic moment of opportunity in someone’s life and that is why we are committed to bearing down on the cost of car insurance for young drivers. In order to do so, the Government have identified the root causes of high insurance premiums and they are addressing them, as I will discuss.

The first root cause is the alarming rate at which fraudulent, minor and exaggerated whiplash claims have increased in the UK. The scale of the problem is highlighted by the fact that 90% of recent personal injury claims relating to road traffic collisions were labelled as whiplash or soft tissue injuries to the neck and back. The magnitude of costs that insurers inherit from whiplash claims are then often passed on to their consumers through higher insurance premiums. To tackle the issue, we recently introduced the Prisons and Courts Bill to Parliament; it is having its Second Reading today and includes measures to cut fraudulent, minor and exaggerated whiplash claims. That will generate estimated savings to insurers of around £1 billion per year. In this debate, colleagues have said that savings are not always passed on. We expect insurers to fully pass those savings on to motorists through lower premiums. The point was well made by colleagues. I am pleased to inform the House that three leading insurers have already committed to do that.

I would now like to address another of the root causes: the high levels of risk associated with younger drivers. Colleagues have highlighted the well-known fact that younger drivers are over-represented in road collisions. Car drivers aged 17 to 24 are four times more likely to be killed or seriously injured compared with drivers aged 25 or over. That is a terrible statistic and we should not in any way be complacent about it. Higher levels of risk associated with younger drivers have resulted in higher insurance premiums. While we do have some of the safest roads in the world in the UK, we are determined to make them safer; addressing the cost of car insurance is one additional factor spurring everybody on.

I have been asked about a Green Paper, but frankly it has been overtaken by events. We have no intention of publishing a Green Paper because we published the British road safety statement in December 2015. It included proposals aimed at younger drivers—indeed, all drivers—for making our roads safer, such as improving the safety of young and novice drivers both before and after they take their test. It includes our intention to commission a £2 million research programme to test the effectiveness of a range of technological solutions and educational and behavioural measures, including telematics, to improve the safety of young and novice drivers. Those interventions will be designed with careful consideration of behavioural change.

It might be helpful if I explain a bit more about how telematics policies work and play an important role in helping young drivers to access lower insurance premiums. Telematics is a key part of the future and I strongly support the expansion of telematics products in the marketplace. Telematics devices allow information on driving styles and behaviours—such as speed, braking, acceleration and where and when the vehicle is being driven—to be monitored and considered alongside the traditional risk factors that insurance companies consider, such as the driver’s age, to set premiums that are more tailored to the risk of the driver than traditional motor insurance policies.

We are seeing an increasing take-up of telematics. The technology is increasingly being chosen by young drivers as a way of ensuring that their premiums are lower. In March 2016, the British Insurance Brokers’ Association reported that there were 455,000 live telematics policies in the UK—up 40% in just two years. However, that needs to be put into the context of how many policies there are in the marketplace to show how much progress we need to make to encourage their wider use. We are not in any way complacent, but I recognise that young people benefit from telematics.

A number of organisations have lobbied me about that. IPT is a tax on the insurer, and there is no guarantee that it will be passed on to the customer. I also have to say that taxpayers is a matter for Treasury colleagues.

We are focusing our efforts on a number of other measures to ensure that younger people are fit and safe to drive. We encourage learners to do more on-road, pre-test practice and to practise in a wider range of conditions. As has been mentioned, we have recently consulted on allowing learner drivers on to motorways—with an approved driving instructor, of course—and we are analysing the results. That is very important given that people can go along at a low speed and then suddenly encounter what can be very difficult driving conditions. It can be pretty scary, although it is worth noting that the strategic road network in this country is the safest it has ever been.

We are ensuring that driving tests assess the skills needed for safe, independent driving and are raising standards across the driving test industry. Importantly, we are looking at changing driving tests, which evolve continually. We have been trialling more
free-flow driving and using fewer set pieces. Notwithstanding the parking issue that my hon. Friend the Member for Bexhill and Battle (Huw Merriman) mentioned, we are looking to remove some set pieces so that people have more understanding and experience of free-flow driving and are more road-savvy. That will include taking instructions from a sat-nav during the test. We are trying to make the test more reactive to current technology and the benefits that it can bring.

We are also looking to identify innovative applications, such as augmented and virtual reality, to improve drivers’ hazard perception—that is, the skills required to correctly assess a situation. That could mean using technology from the games industry to complement the existing on-road practice and the testing regime. We are always looking at finding ways to get people better prepared for the marvellous freedom ticket that is their licence.

Richard Burden: I agree that looking at ways in which the test can evolve and exposing the person taking the test to the greater range of experiences that they face when driving are important. However, could I take the Minister back to graduated licensing? A focus of the call for a Green Paper was that the pros and cons of graduated licensing need to be weighed up and a decision made. If the Minister has turned his face against the idea of a Green Paper, does that mean that the Government have completely rejected the possibility of looking at graduated driving licences, or are they still prepared to look at it, but want to do it differently?

Andrew Jones: We have been considering the idea of graduated driving licences but I am not inclined to support them, because we want to strike the right balance in respect of freedom for young drivers. As we have discussed, many people need their vehicles, particularly in rural areas; rather than imposing post-test restrictions on novice drivers, our efforts are all about improving driver training and testing so that people are better able to benefit from a driving licence.

I am not looking to introduce a graduated driving licence system in the UK. We have heard from colleagues how that might impact on people who live in darkness for part of the year as they perhaps seek to get to shift work early. All those factors have impacted on and led to our decision not to go down the route of a graduated driving licence.

Mrs Ellman: I note what the Minister said about the need for better training. Does that extend to training after people have passed their driving test?

Andrew Jones: Yes. I am very keen to encourage people to do more learning. We continually learn as drivers and get better continually at assessing risk. I highlight the Pass Plus scheme, which colleagues have mentioned. Pass Plus has six modules, which broaden the range of driving skills that people need. It covers driving in town, in all weathers, on rural roads, driving at night, driving on dual carriageways and driving on motorways. The Driver and Vehicle Standards Agency issues people with a certificate to say that they have been through the course. That can often be used to access lower insurance premiums, so yes, I entirely agree with the principle.

A number of factors demonstrate that we are committed to improving the safety of all road users and especially those who are at greater risk, such as young drivers. I very much like the road safety training highlighted by the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr). I am aware of other schemes around the country. He offered me a visit—well, he lives in a very nice part of the world and I like the idea of visiting, so if he lets me know, that might be a possibility. To make a cheeky comment, I like finding ways to show that our two fine countries are stronger together. I am very keen to take ideas from all parts of the world, not just all parts of the UK, if they can make our roads safer. I am aware of comparable schemes—including in London, again with links into motorsport—that are all aimed at younger drivers, and I recognise the importance of those.

We are seeking to improve the safety of all road users and especially younger drivers, who are more vulnerable and at risk of being in a collision. Nine out of 10 road collisions have an element of human error, so if we can cut the amount of human error, it will have a huge impact on road safety. I therefore agree with the points made by the hon. Member for Birmingham, Northfield (Richard Burden) about the Vehicle Technology and Aviation Bill, which is an important Bill that we have to get right for the future. The benefits of connected and autonomous vehicles will be profound, but the set of changes is also profound. The Bill is in Committee now.

We are seeking to lower the risk by making progress in ensuring that people are better able to drive and, through that, they will pay less for their insurance premium. My hon. Friend the Member for Bexhill and Battle asked about the discount rate, which has to be considered in the pricing of insurance. I am aware that the recent change in the discount rate and the likely impact on the insurance industry were discussed in some depth in the evidence session last month. I am therefore keen to set out the Government’s reasons for the change and a number of actions being taken as a priority.

The Ministry of Justice leads on this issue, but let me explain: the discount rate is used to convert a compensation award made to an injured person for future losses into a present value lump sum payment, which reflects the return that the person could expect to earn if investing the lump sum today. Last month, the Lord Chancellor notified the market of a change in the discount rate from 2.5% to minus 0.75%. She made it clear that the decision was made in accordance with national law, given her legal duty to consider only the impact on injured parties. The decision was made following a Ministry of Justice public consultation in 2012, the report of an expert panel in 2015 and the responses of statutory consultees, Her Majesty’s Treasury and the Government Actuary. The review process has been lengthy and extremely thorough, reflecting the complexity of the subject matter and the importance that is placed on the decision.

We recognise that the change is likely to have an impact on the insurance industry, resulting in a knock-on effect on some consumers but I must stress that, under law, the Lord Chancellor cannot consider the impact on defendants such as the insurance industry, only the impact on the injured party. I also stress that any effect of the change in the discount rate on the cost of insurance premiums, including car insurance premiums for young drivers, is a matter for insurers to consider.
Huw Merriman: I am grateful to the Minister for clarifying that point. Does he agree that more could perhaps be done to incentivise the payment of compensation awards annually rather than as lump sums, so that the risk of return would effectively remain with the insurer, which would then pay out? My understanding is that the legal profession is keener on lump sums; I believe it is said that lump sums mean greater fees for lawyers. As a former lawyer, I cannot believe that any lawyer would be guilty of thinking of themselves in such an instance, but perhaps we could do more to encourage a move away from lump sum payments of compensation.

Andrew Jones: My hon. Friend makes an interesting point. Notwithstanding the element of fees in the legal profession, I would expect the insurance and legal professions to sit down and work that out for themselves. What is insurance for? The point of it is that it is collective pooled risk in case something bad happens in our lives. How that is met is for the insurance companies to work out. We have a competitive and innovative sector, which I am sure will be listening to this debate, including to my hon. Friend’s suggestion.

As a Government, we remain determined to address any knock-on effect on consumers caused by the change, which is why we will launch a consultation before Easter to review the framework under which the new rate was set, to ensure that it remains fit for purpose. My right hon. Friend the Chancellor of the Exchequer chaired a roundtable late last month with representatives from the insurance industry to launch discussion on the consultation.

Colleagues have mentioned the importance of driving licences in rural areas due to the difficulty of accessing public transport mechanisms. I recognise that as someone whose constituency, although not rural, certainly has some rural parts. We must ensure that other forms of transport are viable alternatives to motorcars for young people, particularly in rural areas. It is not easy. We understand the importance of affordable, accessible transport and recognise the extra pressures placed on local authorities throughout the country to provide those services, particularly as the lower the population density, the harder it can be for local authorities to do so.

That is why, during the spending review period, my Department will provide more than £1.5 billion to local authorities through the integrated transport block, which will provide capital investment in small transport improvement projects. It will also provide significant road maintenance budgets, which relates to the point made by my hon. Friend the Member for St Albans (Mrs Main). If her constituency is like mine, she will receive more correspondence on potholes than on any other transport issue.

The integrated transport block investment scheme reflects the Government’s belief that local authorities are best placed to decide where investment should go in response to the needs of local communities. It is a local decision to solve a local problem. There are numerous examples of Government-funded road transport schemes throughout the country, such as voluntary car schemes. We have mentioned the Wheels 2 Work scheme and how it could help, although it has its limitations, and we have a £25 million community minibus fund, to name a few initiatives. Such initiatives are helping young people to access work, education and so on. The Government recognise the need for investment in alternative modes of transport, alongside a commitment to road safety and to bearing down on car insurance premiums for young drivers.

To return to some of the questions asked, my hon. Friend the Member for St Austell and Newquay mentioned the driving test and how it is evolving. I do not think the question is about making it harder. He might be interested to know that, according to the Driver and Vehicle Standards Agency, the first-time pass rate for the 2015-16 financial year was 47.5%. It is not that high. People are not looking at the driving test and thinking, “Easy: piece of cake.” More people fail first time than pass. It is a question of making the driving test more realistic and improving training before they get to it and after, as we discussed previously.

Steve Double: I take the point that the Minister is making. I was saying not necessarily that I think that the test is too easy, but that people are coached to pass the test rather than taught to drive well. He is making a point about the test being more comprehensive; that is where we need to go.

Andrew Jones: My hon. Friend is absolutely right to clarify that he was not asking for the test to be made easier; that is absolutely correct.

Colleagues from Northern Ireland, who are no longer in their place, made contributions. This is an entirely devolved matter in Northern Ireland, and my responsibilities do not extend there.

We heard from colleagues about the insurance market and how benefits can be passed on. It is important that we see all the signs of a good, thriving, competitive market, including people shopping around and competition on price and service. We do see that, but we also see inertia. From April this year, changes to the Financial Conduct Authority rules will require insurers to disclose last year’s premium to the policyholder at the point of renewal, which should incentivise shopping around. The randomised controlled trials certainly showed that that prompted up to 18% more people to switch provider or negotiate a lower premium. It would be wise of me to consider following that example, rather than trying to renew on the very last day, as I did this year, only to find an enormous hike in my premium, unlike the hon. Member for Berwickshire, Roxburgh and Selkirk.

The issue of targets has been raised; it is raised frequently. I have no desire to reintroduce targets. They can help in other countries, as they have helped in our past, but the Government’s clear determination to make progress on road safety is evident in the road safety statement that we published, the initiative in the autumn statement to channel funding into the 50 least safe stretches of road in our country and the changes that we made to the penalties for mobile phone use, which came into effect this month. By the way, that is most important; we know that 60% of people killed or seriously injured in an incident involving a mobile phone are younger drivers. This is about cultural change, and we are seeking it with the penalty change.

I will not consider reintroducing targets. If targets were the right answer to policy, then policy making would become remarkably simple, which I do not think it is. Frankly—to make a political point, which has not
been done in this debate—if targets were the answer to everything. Gordon Brown would have left us a very well-governed country, which I do not think he did. Policy is a little more complicated than targets.

At the heart of this debate is the potential cap on insurance premiums. It is a long-standing principle that insurers set their premiums according to their assessment of the risks involved, notwithstanding my hon. Friends’ point about gender.

Mrs Main: I am pleased that my hon. Friend mentioned that. Is there any opportunity for us to consider the gender directive? If we are truly interpreting risk, suddenly hiking premiums for young women seems unfair.

Andrew Jones: Not right now, but who knows where the future will take us? We have some idea, but the detail will still need to be filled in. Opportunities will certainly arise and that may well be one of them.

I want us to get to the point where individuals are assessed according to their risk and where the Government do all we can to de-risk driving and incentivise safe driving. Motor insurers use a wide range of criteria to assess the potential risk associated with a quotation, including the age and driving experience of the applicant, the type of vehicle and where it is kept. The level of premiums is a commercial matter for individual insurers, because they use their own funds to underwrite the policies they issue. It is critical that the insurance industry takes such decisions for itself; the Government should not seek to control that market. However, I confirm to all who signed the petition, and to Mr Parker, its originator, that I am extremely sympathetic to their point. I hope that the explanations of our actions that I have given demonstrate our commitment to making progress.

Calum Kerr: I realise that the Minister is probably reaching the end of his speech, but there is one thing that I would like to ask him. I do not doubt the sincerity of his desire to improve the situation. Does he see a role for the Government—I appreciate that it would not be his Department—in introducing more formal qualifications to the school curriculum that could help to improve skills and create the outcome that we all desire?

Andrew Jones: It is important to capture people young and to instil road savviness among younger people. The hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) mentioned doing his cycling proficiency test at primary school. That scheme is now called Bikeability—we have Bikeability Plus, too—and it is thriving. We have protected its budget throughout this Parliament because it plays a critical role. The education of younger people in this area is important in making progress.

We have had a very positive debate. I am grateful to my hon. Friend the Member for St Austell and Newquay for introducing it, and to all hon. Members for their contributions to our stimulating discussion. I recognise that the cost of car insurance is important to young people. We are tackling fraudulent whiplash claims and making our roads safer for all drivers, including younger drivers. The motor market, including the motor insurance market, is among the most competitive markets in the UK. I trust that the insurers themselves have strong incentives to innovate and to deliver products targeted at younger drivers at a price that they can afford.

We are not at all complacent about this. We will continue to look at what we can do to address the cost of car insurance for younger drivers head on. It is right to tackle the issue by reducing risk. The Government are doing what we can to help our younger people to get about and get on.

6.42 pm

Steve Double: I thank all hon. Members for their contributions to this very positive and constructive debate. I again thank Rhys Parker and all those who signed the petition for bringing the matter before us today.

Let me summarise by mentioning some highlights of the debate. I was encouraged to hear a number of hon. Members say that this is a matter of social mobility and that there is a real need to help young people to be able to afford to drive, because of the benefits it brings. I was also very pleased by the number of Members who highlighted the importance of this matter in rural areas, because not being able to afford to drive affects young people in rural areas most severely. We need insurance companies to treat young people fairly. There is a case for greater transparency in the premiums charged to young drivers, and for companies to behave more responsibly.

As the Minister said, what we all want to see is young people being kept safe on the roads. We want them to be able to drive and to have access to insurance that they can afford, but we want that to happen in a way that keeps them safe and that sees the number of tragic accidents among young people reduced. I was encouraged by the Minister’s response and I encourage him to continue to keep the issues, particularly the driving test, under review. It has been a positive debate and I thank all Members who contributed.

Question put and agreed to.

Resolved.

That this House has considered e-petition 166847 relating to the cost of car insurance for young people.

6.44 pm

Sitting adjourned.
Westminster Hall

Tuesday 21 March 2017

[Ms Nadine Dorries in the Chair]

DVLA and Private Car Parking Companies

9.30 am

Kevin Foster (Torbay) (Con): I beg to move,

That this House has considered the relationship between the DVLA and private car parking companies.

It is a pleasure to serve under your chairmanship, Ms Dorries. I thank my colleagues on the Backbench Business Committee for allocating this slot for the debate. I was pleased to be joined in my application by the hon. Member for Hyndburn (Graham Jones), who I can see in his place. I am sure that he will follow my remarks with his usual acerbity.

I want to be clear that this debate is not about what is charged in a car park. Normally when we talk about car parking and parking fees, we talk about local councils and the balance between how much is charged for an hour’s parking and the trade that a town centre may receive. This debate is not about that. This is very much about the relationship between a body of the state—the Driver and Vehicle Licensing Agency—and private companies that seek to enforce parking contracts.

If we own a car, we are all required by law to supply the details of the keeper of the vehicle to the DVLA; it is a criminal offence not to. To be clear—because it certainly is not clear in many of the letters that go out if someone is not a lawyer or conversant with this area—this is not about people committing offences, but about when people are deemed to have breached a parking contract. The contract can be on a sign on a wall with quite a lot of small print. Those of us who are skilled in the legal world may be able to understand it—I am sure you would easily read through it all, Ms Dorries—but for most people it is not an easy or digestible read. When people drive in, they are unlikely to see the sign and to read the terms and conditions before they get in the parking space, but they have already been caught on the camera systems that are used to enforce car park contracts, which is what has brought the issue to my attention.

I hope that over the next hour and a half we will consider what we as Members feel about the current system and its relationship with the DVLA and how we think it should change. We must be clear that, if it were not for that relationship and the DVLA’s ability to get hold of the keeper’s details, many of the issues brought to me, and I am sure to other right hon. and hon. Members, would not exist, because it would not be possible to enforce this in the way it is being enforced now.

I also want to be clear that the next hour and a half is not about portraying every private car park operator as a rogue operator. Most, but not all, operate good-quality car parks at a reasonable price and use methods of enforcement that are perfectly fair and reasonable. However, some need to be tackled.

What first brought the issue to my attention were two car parks in my constituency: the Crossways shopping centre car park in Paignton and the Marina car park in Torquay. The Crossways car park is managed by Premier Parking Solutions of Newton Abbot and the Marina one is managed by a different company, Premier Park. Since my election as a Member of Parliament, I have received complaints about enforcement practices in both car parks. I accept that people are not happy when they receive a fine if they have not paid or for whatever reason, but what stuck out about those two car parks was that the number of complaints I was receiving about them far exceeded the number of complaints I was receiving about the entirety of Torbay Council’s parking enforcement. Given Torbay Council’s parking enforcement covers 39 car parks and all on-street car parking violations, it was noticeable that the two car parks were generating far more complaints than I was receiving about the council’s entire operation.

Issues raised with me included everything from unclear signs to bad lighting. There was a day when a particular letter or number was not working on the keypad, which meant that everyone with that particular letter or number in their registration found themselves getting a letter a few weeks later. Also, I started to get letters from colleagues complaining about the car parks concerned when their own constituents had visited Paignton or Torquay on holiday, looking to enjoy themselves, and had had a nasty surprise that would encourage them not to come back.

Parliamentary privilege is a great right, but also a responsibility, so we alert individuals or companies when we are thinking of referring to them. I wrote to both the companies concerned. To give Premier Parking Solutions of Newton Abbot, which runs the Crossways car park, its due, last Friday, I had its managing director, general manager and business development manager come to see me to discuss the various issues that had been raised about their car park. They listed a range of things that they feel will deal with the matters raised and complained about. I will obviously look for the proof in the pudding and see whether complaints decline. I accept that there will always be the odd one, but I certainly hope that we will see the back of some of the complaints and issues that I have seen so far.

The other company, Premier Park, decided not to give any form of detailed reply. Given the sheer number of complaints I have had about the Marina car park, which is a car park you drive into without realising exactly what you are entering, suspicions have been raised. Even when told that it was likely to be discussed under parliamentary privilege, the company was not particularly interested in engaging, and also did not engage with BBC Radio Devon this morning, so that creates real suspicions that it is looking to run a business model based on catching people out as much as on what it charges in the car park. That gives rise to suspicions that this is not a genuine parking enforcement operation intended to stop people charging their arm—I accept people will do that, so there needs to be some enforcement—but that this is an operation looking to enforce and act in a way that no one would see as conscionable. It therefore says a lot that, even when given a chance to offer a final explanation before being named today, the company did not wish to do so.
If it were just a couple of car parks in Torbay, I would probably view the matter as a constituency campaigning issue and something I could pick up with the local trading standards department. Yet it was interesting to see the number of other issues that started to be raised as I talked to colleagues. I can see colleagues nodding in the Chamber now. I am sure that we will hear more examples during the debate. I looked at the Library and RAC Foundation figures on how many transactions there are between the DVLA and private parking companies. It is estimated that they will exceed 4 million in this financial year, which is a very large increase compared with the position in 2012. When private wheel clamping was banned under the Protection of Freedoms Act 2012, the impact assessment suggested that there would be 500,000 extra requests, which is not a surprise given the change in enforcement techniques, but there has been an increase of nearly 3 million, which highlights the issues.

The DVLA charges companies £2.50, and some information suggests it costs DVLA more than that to process each application. Perhaps the Minister will cover whether the DVLA is losing money in this area, because it would add insult to injury if taxpayers were helping to subsidise the operation.

We have to be clear that these are not fines. However, it is the DVLA’s information—something is sent out that looks like a fine, probably for about £100, which is the maximum, but far above what councils charge. There is no suggestion that councils outside of London need to charge such a fine when people do not pay in the car park. However, that supply of information makes people think it is much more official than it is, and of course it makes it look as though the state supports what is being done. Ultimately, the only source of the information could have been the state, the DVLA, given that there is no other way of getting hold of the registered keeper’s details.

When I started to look into this issue, many Members wrote to me, and I still get letters today about how the system works. Many of them cover the suspicion that automated number plate recognition systems are used as an opportunity, first, to fine people after they have left and, secondly, to make the process easy. For example, someone who drives in, waits to see if there is a space, drives out and ends up getting a fine would not get that fine if there were manual enforcement, because someone enforcing tickets would see that that person was waiting. Likewise, barrier systems do not let a car in the car park unless there is a space. This system is a kind of invisible barrier that can become a nasty trap that the driver finds out about later.

I am clear that there does need to be enforcement. If someone goes into a privately owned car park and plonks their car in a disabled bay, I have no problem with the idea that they receive a significant fine for such antisocial behaviour. However, there are real issues emerging from the system of enforcement that has grown up over recent years.

I have particular questions for the Minister; I will give him time to note them down. Is he content that the current relationship between the DVLA and private parking enforcement companies is appropriate? Does he believe that there should be a single standards setting body? In my investigation of the subject, one aspect I found quite interesting is that there are two such bodies, with similar sounding objectives and appeals processes. Is that a sensible system or should there be one single standards-setting body, over which the Government have more oversight? I would suggest, however, that it is probably more sensible that that be based in and funded and organised by the industry, rather than an “Ofpark”-style body set up directly by the Government.

Does the Minister believe that enough action is being taken to deal with rogue actors and offenders in the industry? Many Members will probably give examples of where they think not enough action is being taken. Although some rogue actors and offenders have been removed, the presence of two different bodies as the accredited trade associations that a company needs to be part of to access the DVLA breeds confusion in the public eye.

Is a response to the 2015 consultation likely to be published? Would we be better to conclude that the Government may take the view that, two years on, it may be better to look afresh at how the DVLA works with private parking companies?

There are some good operators out there providing reasonable car parks at a fair price and some operators charge a premium for a slightly better service. That is a matter for them and for their business. What we need to take action on is the growing scandal where more and more people receive these invoices, which look official and which are able to be issued only because of the active co-operation of a body of the state that gives the information for them to do so. There needs to be a change in that relationship. There need to be clearer and stronger standards and much more transparency in how those standards are set, in exchange for information from the Government.

We got rid of the cowboy clampers in the last Parliament. The suspicion is that the cowboy clampers have now become the cowboy finers and cowboys invoicers. Although they may wish to leave their spur marks on car parks across the country, I hope the Minister will be clear what action will be taken to ensure that they have to ride off into the sunset for good.

9.43 am

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Torbay (Kevin Foster) on securing this debate.

I speak from the perspective of the consumer and the tourist who visits the south-west on a regular basis, rather than as a Member of Parliament dealing with complaints submitted by the public. The car parking in my constituency is run by Sandwell Council. Although I am sure that there are plenty of residents who have had issues over the years, I cannot honestly say that I have received the volume of complaints in my postbag that would justify me taking up the issue. However, I have had personal experience as a tourist in the south-west with a private parking company, which I would like to bring to the hon. Gentleman’s notice. That experience raised concerns, and I considered taking exactly the same actions as he has. I will not mention the company concerned because I have not informed it—as he said,
there are issues around parliamentary privilege that should not be exploited—but it is legitimate to mention my experience.

As someone educated at Exeter University, and whose ancestors on my father’s side all hail from the Falmouth and Penryn area, I have an enduring affection for the area and love to visit it, which I do on a regular basis. However, as a tourist, I have had two experiences there that were exceedingly off-putting.

The first was when I parked at Falmouth quayside car park and left the car. It was very windy. I went back, picked up a coat and then came back later to find that I had got a parking notice. What had happened in the meantime was that my ticket had blown off the dashboard and was on the floor. I appealed to the company and got a response offering to halve the fine. I was still indignant, but thought, like many people in my position, “Oh, what the heck; I will accept it as a compromise,” and paid up. That was a couple of years ago.

Last year, I parked at Perranporth. On that occasion it was pouring with rain, and I decided it was not immediately appropriate to go for a walk on the beach. I joined my wife for a cup of tea in a nearby café, leaving the car window open because we had the dog in the back. We came back and took the dog for a walk, returned to the car and found that, yet again, I had got a parking ticket. I was quite astonished because my ticket was on the dashboard, but then I realised what had happened. I have a Honda Civic and the dashboard is split-level: the ticket had slid under the ledge at the front and was not visible from the front. Well, I took the ticket and very indignantly went to the attendant, who said, “Oh, you can appeal.” So I did.

Within four hours, I was appealing online. I got a response and some photos, which basically dismissed everything I said. There were two photos—one taken from the front of the car, in which the ticket was not visible, and the other from the passenger-side window, in which where the ticket was could be seen with difficulty. Had that photo been taken from the driver’s side, the ticket would have been perfectly visible and readable. I was furious. I have dug my heels in and not paid the fine. To date, I have received three debt collection notices; I am collecting them and waiting to see what the company does about it.

Kirsten Oswald (East Renfrewshire) (SNP): My constituent, Steve Mostyn, parked in the Clarks ton car park. He paid his 50p and was a bit surprised to receive a penalty charge. It appeared that he had keyed in a digit wrongly; the number he had keyed in did not actually appear in the DVLA database—that registration number did not exist—but the company still fined him. He found that completely unacceptable. He thinks that the model that Smart Parking is operating is corrupt and unethical, and is particularly concerned that those who are more vulnerable and those who can perhaps least afford to pay are those who will not feel able to appeal and will just cave in. Does the hon. Gentleman agree that that is simply unacceptable?

Mr Bailey: I have heard similar cases. I have detected a difference in the way in which local authority-run parking systems are reasonably responsive to that. The private car parking operators are not. Again, it points to a culture and philosophy that is designed to catch people out and make the most money out of perfectly human mistakes, despite the fact that an individual on every other criteria will have demonstrated that they not only accept the principle of paying, but have done their personal best to conform to the conditions that preside over the process.

From my experience in the south-west, there are a number of issues that have to be looked at. First, there is the issue of organisations that employ private car parking companies to exercise this activity. After my experience at Perranporth, I complained to the organisation that employs the private car parking company, but it just dismissed my complaint and said that it had contacted the company concerned and that I could appeal—we were going round in circles.

Any organisation in an area such as the south-west, which is hugely dependent on the tourism industry, has to take a degree of responsibility for the way in which the company it contracts to operate its car parks behaves. Tourism is a highly competitive industry, and if anybody who goes on holiday to those areas has such an experience, their abiding memory will be the injustice that has been inflicted upon them, despite the fact that they tried to be law-abiding, civil citizens and tourists. They not only feel that personally, but recount it to other people, which deters would-be visitors to the area. Those companies do no service to their area or their tourist industry by having such a system.

As the hon. Gentleman highlighted, this raises legal issues, because by and large tourists are not lawyers and do not know about the legal vacuum in which those companies operate, so they assume that the companies have to conform to laws that do not actually exist. There is a wider issue of educating the public, and I think there is a very good case for tightening up the regulation to ensure the companies that operate private car parks are licensed and subject to an agreed set of standards. There should be an appeal process that is totally independent of the industry to adjudicate when there are genuine disputes, as there always will be in such circumstances.

I fear that areas that make the mistake of employing that sort of company could damage themselves and the industry to the detriment of the perception of the area and to the benefit of the most sharp-practiced operators—the hon. Gentleman described them as cowboys. I ask the Minister to look at the issues that the hon. Gentleman and I raised, and those that I am sure other hon. Members will raise, with a view to looking at how the regulation of the industry can be tightened up to the benefit of the affected individuals and the economies of the areas where such practices operate.

9.53 am

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 Torbay (Kevin Foster) on securing this important debate on an issue of particular interest to the area I represent.

I am privileged to live in the most beautiful part of our country, and I have the honour of representing the great people of St Austell and Newquay. It is because of our stunning scenery, our beaches, our wonderful heritage and our excellent food that 4 million people a year come to Cornwall on holiday. I am delighted to learn that the
hon. Member for West Bromwich West (Mr Bailey) is one of those who come to enjoy all that Cornwall has to offer. An additional 14 million people a year come to Cornwall for a day visit, and the vast majority of them come by car. That is where we start to get into some of the issues.

One of the jewels in Newquay’s crown is the very special Fistral beach, which is the surfing capital of Cornwall, and indeed of Europe. The beaches of north Cornwall attract many people to the area. In the summer, we can see more than 10,000 people on our beaches in north Cornwall, many of whom go into the sea to catch the waves on nice days. It has even been known for Prime Ministers to come to catch the odd wave in the Newquay area, which is always very welcome.

People come and park their cars. On their journey home, they battle through the roadworks on the A30 at Temple, which are soon to be completed thanks to the Minister’s support. When they eventually get home, they unpack their car with their hearts full of happy memories from their time in Newquay, and open their front door to find the inevitable pile of brown envelopes. In among the envelopes, there is a sinister-looking one, which they open to discover it is a penalty charge notice from a private parking firm that has issued it as a result of their stay in Newquay—it is an invoice masquerading as a fine.

As the hon. Member for West Bromwich West pointed out so well, that becomes people’s lasting memory of their time in Newquay. It ruins their memory of that holiday, because they feel they have been unjustly billed. That is very often the case. The reasons why penalty charges are issued are often spurious. It can be for overstaying for very few minutes. It can be, as the hon. Member for East Renfrewshire (Kirsten Oswald) said, because when they put their car registration number into the machine they got one digit wrong. I have been told that people sometimes go into the car park, find that there are no spaces available, wait a few minutes to see whether one becomes available, and then after some time give up and decide to move elsewhere, only to find that they have overstayed the grace period and that their car has been clocked by the camera. They then receive an invoice as a result.

As has been said, that situation damages the reputation of Newquay and many other holiday areas where such parking firms operate. I believe we need to take action. Many of the hard-working businesses in places such as Newquay are owned by families who go out of their way to welcome tourists. They go the extra mile to look after them well, which is why tourists keep coming back to those places. Those parking firms damage the reputation of those areas and other people’s businesses. They do not damage themselves, because they hide behind anonymous PO boxes. They are faceless organisations that do not face the public.

Kirsten Oswald: The hon. Gentleman is making an incredibly important point. Our town centres can ill afford to have their business impacted by parking operators that act against the interests of the people who park there.

Nadine Dorries (in the Chair): Not a speech—an intervention.
Another car parking company operates at the Accrington Arndale shopping centre. I receive dozens of complaints about some of its practices, with people being fined for whatever little reason, such as being even an inch over the line or five minutes past the time limit. I draw the Minister’s attention to that—surely under the Disability Discrimination Act 1995 and so on some latitude is allowed to some of our constituents in such a position—and to how the appeals process does and does not work. Going back to Excel, NMAG and a disabled constituent of mine had to go through the courts to seek redress, which is unacceptable.

Another cowboy private company has already been alluded to by Members, and a more recent issue is that of the new buttons on the machines in some car parks. I have had several complaints about a company operating such machines. For example, an elderly constituent told me that he had been fined and he had lost his appeal. He is fortunate that he has an appeals process, although he did not win it. He is 81, I think, and he had to bend double to see the buttons. The screens and buttons are at a low height and, on a sunny day, he was unable to bend down sufficiently to enter the information accurately. He tried and, most of the time, succeeded, but on one occasion in question he put the wrong digit in. He explained that he had paid for his time in the car park—he had the ticket—but the company was not interested. He was forced to pay the fine.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Is the hon. Gentleman aware that had the car parking operation been a public one, an honest mistake would have been a complete defence? That has been established at the High Court in relation to the congestion charge.

Graham Jones: I appreciate that valid point. We are talking about private car parking companies in private car parks, and not about statutory or public car parks, which are not part of the debate. We are talking about the practices of some companies outside any firm regulations or guidelines. I will address the point about that difference in a minute.

One lady could not buy a ticket from the machine at that car park because it was broken. She still ended up with a fine, even though she left a note on her windscreens to say that the machine was broken. The company has been mentioned already, so I will do so again—I have no shame in naming such companies, because they need to be shamed. ParkingEye was also mentioned by the hon. Member for St Austell and Newquay (Steve Double), and it operates that particular car park on the edge of my constituency. I find that practice abominable. She put a note on her windscreens, which should be sufficient if the machine is broken. That £1 parking charge quickly became £100 because of the firm’s own administrative incompetence and failure to fix the machine.

As I say, other constituents have come to see me about that particular car park. One was an elderly gentleman who could not bend down to see the screen and, on one occasion, entered a wrong digit. Giving a fine for that is totally and utterly unacceptable. Members on both sides of the Chamber who have spoken, and probably all Members of the House, are well aware of such scandals in their constituencies. This issue is not unique to my constituency or coastal constituencies—it seems to happen in all our constituencies all the time, up and down the country.
Although private car parking companies were barred from wheel clamping by legislation, they seem, as other Members have intimated, to be in the game of trying to find new ways to extract money from motorists, perhaps to make up for some of their old practices having been barred. One gripe that all Members have mentioned is that, under the Road Vehicles (Registration and Licensing) Regulations 2002, the DVLA provides information to those car parking companies. Actually, I believe that they can purchase it—according to NMAG, the DVLA sells information, which is worrying. That practice should end, and there should be better regulation. Those companies access that information and then pursue motorists. I am deeply concerned about that relationship, and the Minister ought to look at it, because it is not right.

Deidre Brock (Edinburgh North and Leith) (SNP): The hon. Gentleman is making some good points. Citizens Advice Scotland highlighted in its briefing on this subject that many companies still issue tickets whose appearance mimics those issued by the police or the local authority, have difficult-to-read signage in their car parks and, at times, charge fees of more than £500. Does he agree that it is time that the British Parking Association and the International Parking Community strengthen and properly enforce their supposed strict codes of practice, or ensure that rogue companies lose their right to the release of vehicle owner information?

Graham Jones: I was going to come to the two parking organisations that the hon. Lady mentions, which seem to have no transparent processes. One of them—I think it is the BPA—has a very opaque appeals process, if it has one at all. Not every private car parking company is actually affiliated or associated with either of those organisations.

Passing off is a massive issue. People turn up at car parks run by private companies to see a yellow and black bag that appears on people’s cars. The GVLA’s relationship with private parking companies. The Minister ought to reflect on Members’ concerns. I am sure that if I asked the DVSA or Members who are not in the Chamber—I do not know how many are here—they would agree. It is time for the Government to act.

Mr Bailey: Does my hon. Friend agree that something else that needs to be looked at—I believe that this is actually illegal, but it is commonly exercised—is the threat that these companies send to people subsequently, either through debt collection agencies or by putting notices on their credit ratings? By so doing, they undermine people’s credit ratings and convey to them the belief that they will have financial penalties in the future.

Graham Jones: My hon. Friend makes a crucial point. Does my hon. Friend agree that something else that needs to be looked at—I believe that this is actually illegal, but it is commonly exercised—is the threat that these companies send to people subsequently, either through debt collection agencies or by putting notices on their credit ratings? By so doing, they undermine people’s credit ratings and convey to them the belief that they will have financial penalties in the future.

Mr Jones, may I just say that two other people are waiting to speak, and we will not be able to get them in if you do not wind up soon?

Graham Jones: Okay. In summary, I ask the Minister to look at the three points that I have raised. He must take this issue seriously. The British people want something to be done about it.

Ms Dorries: My hon. Friend the Member for Torbay (Kevin Foster) for bringing it forward, because many of our constituents have complained about what is going on in the parking field. I also thank the Minister and his predecessor for their many courteous replies to the letters that I have written.

The DVLA is at the heart of this issue, not the Department for Communities and Local Government or other bodies. It is the DVLA giving out information that begins this whole unfair process, so the buck stops with the DVLA and the Minister, not with other people or regulations. It is the DVLA that has decided that it will accept accredited trade associations and give out information to them, subject, apparently, to audits that it carries out. It would be useful to hear about what audits have been done.
My hon. Friend the Member for Torbay mentioned Premier Park. I have no qualms about mentioning businesses without telling them in advance. There is no convention that we should be expected to do that, and we should be wary about limiting our right of free speech in this House. Premier Park behaved quite disgracefully to a constituent of mine and has a reputation for doing so at a place called Popham Diner, which local newspapers have written about. Has the DVLA audited that company? Has it looked into it? Has it, in response to complaints from Members of Parliament, gone beyond the accredited trade association to see what is going on?

The Government are at the heart of this matter, because it is about the principles on which our society is founded and what the Government are there to do. One of the great roles of the Government is to ensure justice and make it impossible for the strong and the powerful to bully the weak and the powerless, but the DVLA is party to helping the strong and the powerful to bully the weak and the powerless. It just says that these accredited trade organisations are, broadly, enough, but those organisations have a vested interest in approving the bodies that sign up to them, because that is where their revenue comes from. The last thing that one of those bodies wants to do is to penalise a parking company that is signed up to it, because if it does, other companies will not sign up and its revenue stream will be threatened. There is a clear conflict of interest.

To my mind, that is where the DVLA is not doing its job, because it is not protecting individuals against those who are more powerful. That is where it should change, and that is where the answer to the problem is. The DVLA should do its own approval of organisations and have its own code of conduct. The fee it charges may cover all of that—it is not unreasonable to charge a fee if you are doing the job properly and there is no vested interest. That work should be done properly by a Government body.

The law is there to protect us. This is essentially a system that is outside the law but to which the Government are party. It is not a legal process, but, as other Members have said, it appears as if it is. It appears to be the same as a fine from a local authority, but it is not. In my experience, the local authorities behave much more reasonably than the private companies. Yesterday, I had a letter from Bristol City Council, which is behaving extremely well to a constituent of mine, erring on the side of leniency to someone who made an honest mistake. The private companies do not seem to do that because their business model is otherwise, and the DVLA is party to that.

Steve Double: Does my hon. Friend agree that, where local authorities lease car parks to private operators, the local authority should take a more active role in insisting that those operators work in a way more similar to that of local authorities?

Mr Rees-Mogg: My hon. Friend makes an extremely good point. We want fairness in the process. We must understand that the DVLA has the information in the first place as a legal requirement so that the police may know to whom cars belong. That is why, by law, we are obliged to register our cars. We are not obliged to register them for the benefit of a subsequent private contract, which is a subsequent activity beyond the initial purpose of the DVLA. It was to be there for public interest, not for private contracts. Because of the way in which parking has developed, the DVLA has got involved in this private parking aspect. It earns fees from that, although apparently it is loss-making, which if true seems extraordinarily silly.

The Parliamentary Under-Secretary of State for Transport (Andrew Jones) indicated dissent.

Mr Rees-Mogg: If it is not true, that is very reassuring: I am glad. However, the fact that that is not true is worrying in another direction, because the DVLA ought not to be affected in its judgment by its revenue streams. If we have an accredited parking authority that gets revenue from the car park, and the car park pays money to the DVLA to get information, there is a chain of money going through, which seems to be overriding the chain of justice and the right of the state, the duty of the state and the obligation of the state to protect the individual.

The DVLA has the solution in its hands, as do the Government. The situation requires not changes of legislation but changes by the DVLA in how it gives out information. I will carry on banging on about this until we know that companies have been suspended, that companies have been audited, that companies are not getting the information any longer and that the DVLA is taking proper charge to protect our constituents.

10.23 am

Dr Sarah Wollaston (Totnes) (Con): It is a pleasure to serve under your chairmanship, Ms Dorries, and it is a real pleasure to follow my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) and the compelling points he made. I thank my neighbour, my hon. Friend the Member for Torbay (Kevin Foster), for securing the debate. In the short time left, I will touch on unreasonable practices and appeals and make a few further points following on from my hon. Friend. Friend the Member for North East Somerset.

There are highly unreasonable practices going on. We have heard many Members give examples. In my area, Premier Parking Solutions, to which my hon. Friend the Member for Torbay referred, has a particular problem with its machines, which is affecting many individuals, particularly when number plate recognition is used in combination with a requirement to enter the vehicle’s number plate manually. In many cases, the machines do not record the first number of that registration plate. The issue is that, because number plate recognition is being used, individuals do not receive a notification until about 10 days to two weeks later, by which time most reasonable people, having parked legally and paid the correct amount, will have discarded the clutter from their windscreen—I do not take much joy in tidying my car, so that would not affect me. Even if individuals have retained their ticket and can clearly prove that there has been an honest error, they find their appeals are not being upheld.

The other problem we have is the disincentive to appeal, because those who appeal have to pay a higher charge if their appeal fails—and fail it will. I have a series of clear cases from individuals who can demonstrate—I suggest to the Minister it is beyond any
reasonable doubt—that they have legally parked, fully paid the correct amount and left within the required time, but who are still being hit. If they carry through the appeal process, they find they get nowhere. If they then refuse to pay, they are hit with a series of harassing letters and ultimately receive letters from debt recovery agents, which has an impact on their credit rating. That practice is wholly unacceptable, and intervention from Members of Parliament does not make any difference, either.

I am afraid that our constituents are being caught, and that has consequences. I will read from part of a letter from one of my constituents, which sums up the problem:

“I am an honest lady in my late 60s and I have never had an experience like this before. I live in rented accommodation on a limited income—I am not financially secure. It will cause me hardship to pay this fine when I fully believed I was doing everything legally and correctly.”

The letters go on. Another pensioner wrote to me:

“I am a pensioner and all this angst really upsets me...I will do as everyone else has done and pay the £60 within the allotted time and try to forget it—but I have to say the injustice really riles me.”

That is the injustice to which my hon. Friend the Member for North East Somerset referred. He is right that the role of Government is to stand up to help those who are powerless against such practices.

It is not just pensioners—I hear this from across a spectrum of individuals—but we should ensure that particularly those who may have difficulty in entering details via these machines have their interests protected. I agree with hon. Members who have said that at the root of the problem lies the DVLA and its complicity in the process. Will the Minister use every power he has to ensure that it takes its role and responsibility seriously? It has a responsibility to ensure that such practices are not allowed to continue. I hope that in responding he will inform all Members here, and constituents following the debate closely, what the Government will do to ensure that justice is done for all our constituents.

I am afraid that our constituents are being caught, and that has consequences. I will read from part of a letter from one of my constituents, which sums up the problem:

“I am an honest lady in my late 60s and I have never had an experience like this before. I live in rented accommodation on a limited income—I am not financially secure. It will cause me hardship to pay this fine when I fully believed I was doing everything legally and correctly.”

The letters go on. Another pensioner wrote to me:

“I am a pensioner and all this angst really upsets me...I will do as everyone else has done and pay the £60 within the allotted time and try to forget it—but I have to say the injustice really riles me.”

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However, the debate is about the relationship between private parking companies and the DVLA. While parking legislation is in the main devolved to the Scottish Government, the ownership and control of DVLA data is not. The current system has been built on the flawed premise of industry self-regulation, enabled by the provision of data from the DVLA. We are sharing DVLA data with companies whose practices, as we have heard from hon. Members today, are simply outrageous. I agree that it is right to call out companies such as Smart Parking, which has been mentioned several times and operates in my constituency too.

People are being charged excessive fines, and the tactics used to collect the debts are intimidation and threat, albeit through the written word. That is still intimidation and it is still unacceptable. I and my hon. Friends believe that access to our data is a privilege. I have asked the UK Government to put regulation on a better statutory footing. I know that operators must pay for access to the data, but I was displeased to hear that the cost of providing data to private parking operators is in fact subsidised. I will be interested to hear what the Minister says about that. The research from the Library says that the cost to the taxpayer of making up the shortfall was £612,000 in 2015—if the Minister is going to take on the might of the House of Commons Library, I will be delighted to hear what the data are. If that information is right, it means enabling what is tantamount to threatening behaviour.

The hon. Member for Torbay spoke in a measured tone; many of us feel more passion on the subject. I could tell that the passion was there, but he was holding back his anger. Certainly people hit by fines and chased for them would be unlikely to use such a measured tone. The hon. Gentleman spoke about the small terms and conditions. There are also machines that are difficult to use for reasons of height, and so forth. Perhaps when it is dark, or because it is necessary to bend down or conditions are not good, people press a zero instead of an “O” or vice versa. The hon. Gentleman talked about what reasonable behaviour would be, and it is certainly not reasonable behaviour to impose unreasonable fines without a real appeal process. I have had a similar experience to other hon. Members of writing to parking companies; Smart Parking was one that refused to acknowledge an MP wanting to act on behalf of a constituent. The hon. Gentleman also made a point about taxpayers subsidising the information, and I reiterate that I look forward to the Minister’s response to that.

Kirsten Oswald: The UK Government have undertaken a consultation on the matter. Last year I received written answers that made it clear that they were aware of public concern, but they had not discussed it with the companies or the DVLA. Does my hon. Friend agree that it would be useful to hear from the Minister whether those discussions have happened yet, and if not, why not?

Drew Hendry: My hon. Friend is right. The Minister is a reasonable man, and I look forward to his response. It is clearly something that he can deal with.

The hon. Member for St Austell and Newquay (Steve Double) made an important distinction, in a phrase that is worth repeating: he said that people got an invoice masquerading as a fine. That is exactly what people get. He talked about people waiting, to look for
a space, which is a common occurrence, and getting fined. He, too, had had the experience of failing to get a response from Smart Parking and the other company that he mentioned.

The hon. Member for North East Somerset (Mr Rees-Mogg) mentioned someone making an honest mistake. Surely there is room in our society for people to be able to say, ‘Look, I just got it wrong; I didn’t know I was in there,’ if it is a reasonable and honest position. The hon. Gentleman also underlined the fact that responsibility lies with the Minister. I was struck by his comment that when the DVLA allows the data to be used by the companies in question, it enables them to bully people. That is something that clearly must be addressed.

The hon. Member for West Bromwich West (Mr Bailey) was right when he spoke about people paying the fine even though they feel it is wrong. Many people just pay because they feel they have to. It is a point of honour for them, even though it is their honour that has been unfairly besmirched by the company that fines them—or, I should say, gives them the invoice. Dismissed appeals are common. Little attention is paid to what is said, and there is no agreed set of standards, or licensing or appeals process. That, too, needs to be addressed.

My hon. Friend the Member for East Renfrewshire (Kirsten Oswald) rightly mentioned that often it is the most vulnerable people—the ones who cannot afford to pay—who end up paying high fines, which puts them in difficulty. Those people are used to trying to make ends meet, and if they get a bill, they feel a sense of honour about paying it. Also, they rarely have the opportunity to go elsewhere to seek advice.

Kevin Foster: I am enjoying the hon. Gentleman’s comments. Does he agree that the fines are far higher than those that are legislated for in public car park enforcement?

Drew Hendry: That is an important point. It is not just a question of the unreasonable behaviour and bullying—because that it what it is. The fines are also disproportionately large compared with what might be imposed through a public sector car park, for example. As my hon. Friend the Member for East Renfrewshire, among others, said, that damages the reputation of our towns and cities, and areas that people visit for enjoyment.

The hon. Member for Totnes (Dr Wollaston) talked about problems when fines come through late, when people have discarded their tickets. People clear out their cars and get rid of evidence before they receive the letters, and that is a difficulty. If there are set times for the administering of statutory fines imposed through the DVLA, that should be mirrored when fines are imposed by companies—if they are still allowed to do it. Personally, I would not allow them to do it, but in any case, speed should be a consideration.

The hon. Lady also mentioned people being hounded, even though they had paid for a ticket. I thought she was correct when she talked about “harassing” letters, because that is what they are. They are designed to harass people into paying. That is simply wrong and should not be allowed. She raised another point that is a common theme—and the Minister should listen: a message should be sent from this place to the operators that they should not be able to ignore MPs when they seek information on their constituents’ behalf and forward a reasonable case for appeal.

Some of the letters that the hon. Lady received from people were telling, because those people were saying, ‘Look, I’m an honest person.’ That came through in the letter from the “honest lady”. That is important. People are having their honour taken away in such cases. They feel that they have done the right thing. They have tried to make things work and to do everything correctly, but they are stopped at every opportunity, by a company that would be deeply suspected by most people of trying to make money from errors. That is clearly not correct. Another of the hon. Lady’s constituents commented “I’ll pay anyway”—how unjust to have to pay anyway, even though they were not at fault. They should not have to pay those amounts.

I am keen to hear what the Minister will say, including about cost to, or profit made by, the DVLA, and whether that contradicts the information I have had from the House of Commons Library. I hope he will listen to hon. Members and make sure that there is action to hold the DVLA to account for the information it gives to Smart Parking in Inverness and all the other companies we have heard about that indulge in similar practices.

10.38 am

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve under your chairmanship, Ms Dorries. I congratulate the hon. Member for Torbay (Kevin Foster) on bringing forward the debate, which has enabled many hon. Members to give accounts of dreadful experiences. My hon. Friend the Member for West Bromwich West (Mr Bailey) powerfully explained from his experience how this works, and my hon. Friend the Member for Hyndburn (Graham Jones) described how powerless people can feel when they are treated so outrageously.

I want to concentrate my comments largely on what the Government have or have not done. In March 2015 the Department for Communities and Local Government published a consultation, “Parking reform: tackling unfair practices.” That came at a time when the Government chose to move responsibility for off-street parking to DCLG. The then Secretary of State clearly saw regulation as a problem rather than a civilising solution. I note in passing that there is still some confusion about where responsibility for parking policy lies. We will hear from a Transport Minister today, but there is clearly a lot of crossover with the Department for Communities and Local Government.

DCLG’s consultation concluded in May 2015, and the Government have still not responded. In December that year, I asked when we were likely to see the response and was told that it would be in the new year. It was not clear which new year was being referred to; we went through 2016 and are now in 2017. Just last month, I asked what reason the Government had for not publishing their response, and was told:

“We have set out a clear manifesto commitment to tackle aggressive parking enforcement and excessive parking charges, and are taking steps to tackle rogue and unfair practices by private parking operators.”

They also said they were “considering responses to the discussion paper, and options for reform.”

However, there was no mention of when those considerations might conclude.
The responses to the initial consultation clearly show just how many problems exist, and they are very much along the lines of what we have heard from hon. Members. The summary of responses was published in May 2016, and the consensus was a stark indictment of the current situation. The majority of respondents—78%—indicated that there were problems with either how parking on private or public land is regulated or the behaviour of private parking companies. So 78% think there is a problem, yet the Government show no urgency in dealing with it. The majority of respondents considered there to be significant issues with how parking on private land currently operates, and the majority of organisations concurred. Issues raised by individual respondents included the lack of a private parking regulator to protect the interests of motorists, problems with the current appeals process, unclear signage, which we have heard about, and a general lack of clarity and information.

As the Government fiddle and tarry, a further problem has arisen. Back in 2012, the British Parking Association set up an appeals service, as the Government had requested. One of the key Government’s key requests was that the service be independent, so the BPA set up the Independent Scrutiny Board for Parking Appeals on Private Land—ISPA. It may be easy for hon. Members to get confused by the acronyms, but please stick with me. More recently, the other major parking organisation, the International Parking Community, established a competing scheme.

As hon. Members have said, both schemes have access to DVLA data, without which neither would work. However, because the BPA feels that the IPC scheme has no independent scrutiny element, BPA members feel that they are being put at a disadvantage because they have to meet the cost of funding ISPA. They feel that the IPC should not have access to DVLA data without that independent scrutiny element. Because the Government have completely failed to sort all this out, the BPA will cease funding ISPA from the end of this month. The voluntary regulation system for the private parking sector is falling apart, so I am bound to ask the Minister what he and his colleagues are doing about that.

Let me say a little bit more about the relationship between the DVLA and private parking companies. On the one hand, individuals who responded to the consultation felt that the DVLA was failing to properly scrutinise private companies before releasing driver data, and many felt that it should not profit from the release of those data, as hon. Members have suggested. In turn, parking organisations said that companies already have to be governed by the code of practice, to which I have already referred, in order to access DVLA data. There are real concerns that the DVLA profits from the sale of the data that it holds on drivers. We have already heard that there are views on whether the DVLA is making or losing money, and the evidence I have seen is contradictory. I would rather welcome some clarity on that from the Minister.

The actual test for who can access those data is “any person who can show to the satisfaction of the Secretary of State that he has reasonable cause for wanting the particulars to be made available to him.”

“Reasonable cause” is not defined in the legislation and seems to take precedence over the Data Protection Act 1998. However, since 2009, the release of that information has been limited to members of an accredited trade association, which goes back to the point I have just made.

In 2015, the Government said that the DVLA “takes the protection and security of its data very seriously. A comprehensive set of safeguards is in place to ensure data is disclosed only where it is lawful and fair to do so. Individuals may write to the DVLA to request that their personal information is not disclosed if it would cause unwarranted and substantial damage or distress. The DVLA does not operate a blanket opt-out process but considers each such request taking into account the individual’s particular circumstances.”

That comprehensive set of safeguards is vague. When pressed on the specifics in a written question, the Government answered:

“The safeguards that are in place to protect information held by the Driver and Vehicle Licensing Agency (DVLA) vary depending on the channel used and sensitivity of the data processed through the service.”

All of that shows that the situation is a mess. There is a complex set of trade-offs between the role of data held by the state, the privacy of individuals, the rights of landowners and the obligations of operators, but in essence, the poor old driver, who just wants to park, is left dazed and confused. The British Parking Association has made a strong case for a single standard-setting body with an independent scrutiny board. It would deliver a single code of practice and a single independent appeals service for consumers. I would welcome the Minister’s views on that proposal. Ultimately, we need to see the Government finally respond to the consultation. It has been almost exactly two years now, which is surely enough time to consider the responses and come up with a plan to clarify this mess, which is pleasing no one.

Nadine Dorries (in the Chair): Before I call the Minister, I ask him to please leave a few minutes at the end for Mr Foster to wind up the debate. That would be much appreciated.

10.45 am

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing the debate on the disclosure of DVLA data to private parking companies. I welcome the opportunity to discuss a matter that is clearly of concern to him and to his constituents; there is a slight bias towards the south-west, but this is clearly of concern across the UK.

Although the policy on disclosure of DVLA data is of long standing, it is true that management of parking companies and the release of vehicle keeper data frequently generate significant concern. Of course, that is entirely understandable. No one likes to receive a parking ticket, and motorists become annoyed when they are the subject of enforcement action. Many examples have been shared of inappropriate and heavy-handed enforcement action. Motorists often disagree with the principle that DVLA vehicle keeper data can be provided to private companies for such purposes. I should point out that the private parking sector is not regulated by the Government. The Department for Communities and Local Government consulted on this issue in 2015 and is currently considering the approach to any future Government intervention. I am afraid I cannot give the House a detailed time as to when that will be finished.
As it stands, the private parking industry is an unregulated sector in which common law on breach of contract or trespass applies in the relationship between the motorist and the landowner. Drivers who choose to park their vehicles on private land do so in line with the terms and conditions, which should be clearly displayed on signage at the entrance to and around the car park. Those conditions may relate to the need to pay a fee to use the car park and to display a valid ticket, to observe the maximum permitted time for parking or possibly other conditions, such as a stipulation that parking is not permitted at all.

Parking control is necessary to ensure that landowners are able to exercise their legal rights and gain the benefit they are entitled to from the use of their land for that purpose. The use of wheel clamping used to be widespread in the sector as a means of parking enforcement, but was banned in England and Wales by the Protection of Freedoms Act 2012, meaning that that method of enforcement is now effectively outlawed. I am sure that colleagues will agree that, without any form of control, errant drivers could park as they like, breaching reasonable terms and conditions without fear of recourse arising from their misuse of the land. That would obviously have a detrimental effect on the availability of parking spaces for more compliant motorists.

Kevin Foster: To be clear, no one is arguing that there should be no ability to control. Does the Minister agree that the issue is about the heavy-handed enforcement, and the fact that the fines are far above those that local authorities find are perfectly adequate for management and enforcement in their own car parks?

Andrew Jones: I do indeed recognise that. I was just trying to clarify the legal position. My hon. Friend made his case extremely well and has now clarified it again.

The law allows for the release of DVLA vehicle keeper information to those who can demonstrate that they have reasonable cause for requiring it. That provision has been in law for several decades. To receive data, a requester must show that their need relates to the use of a vehicle following incidents in which there may be liability on the part of the keeper or driver. Where a parking infringement may have taken place, it is considered reasonable to provide the vehicle keeper’s contact details, so that the matter can be taken up with the person responsible. Despite the unpopular nature of that process, it is a well-established principle in case law that such enforcement is lawful, as confirmed by the Supreme Court in late 2015.

Despite this being an unregulated industry, and while the law provides for the release of information, the DVLA has strict conditions in place in relation to the disclosure and use of data. The DVLA will only disclose vehicle keeper data to parking companies that are members of an accredited trade association; I will come on to that in more detail in a moment. Such trade associations have codes of practice that are based upon fair treatment of the motorist and require their members to operate to high professional standards of conduct, while allowing reasonable action to be taken to follow up alleged parking contraventions. The codes of practice contain requirements on clear and prominent signage, appeals processes and information that should be provided to motorists on parking tickets. They also contain requirements on the use of automatic number plate recognition cameras, which are expected to be in good working order.

There should be no hidden charges or ambiguity for the motorist as to what is and is not permitted on the land. The codes of practice require that contact with the motorist is not threatening and that parking charge notices are issued promptly, so that the driver can recall the circumstances surrounding the event. A reasonable amount of time must also be given to the motorist to allow payment to be made before any escalation of the matter occurs.

Mr Rees-Mogg: These codes of practice are marvellous, but the problem that has been established in this debate is that they are not followed, and the DVLA is complicit in that.

Andrew Jones: I am coming to that. I recognise entirely what we have heard this morning.

A further requirement in England and Wales, where additional liability for parking charges exists for vehicle keepers, is that access to an independent appeals body is provided. That independent appeals service must be free to the motorist. The outcome of the appeal is binding on the parking company but not on the motorist, who can continue to dispute the charge. Companies that do not comply with the codes of practice can face expulsion from the trade association, resulting in the right to have DVLA vehicle keeper data removed.

Drew Hendry: Will the Minister give way?

Andrew Jones: I am running out of time, so I will not.

I want to answer the question from my hon. Friend the Member for Torbay about whether there is enough enforcement action. Bad practices are tackled. The DVLA can and does suspend the disclosure of data to companies that have not been compliant. However, there is clear concern from Members that we need to go significantly further. I have been working to ensure that we get the balance right.

Let me reassure the House on how we control the data. We have had lots of debates in this House about the right to privacy of our personal data. The trade associations have a code of practice, which includes access to DVLA data being tightly controlled. Companies with an electronic facility to request DVLA data have to sign up to a detailed contract that lays out the requirements on the use and security of data. The DVLA undertakes remote checks on parking companies.

In addition, the Government Internal Audit Agency carries out detailed audit visits on the DVLA’s behalf and undertakes more in-depth checking of individual cases to provide further assurance that requests have been submitted for genuine reasons and there is reliable evidence to back up the request. Non-compliance can result in sanctions, including the removal of the right to data.

The DVLA’s controls around the disclosure of data to parking companies were subject to a detailed data protection audit by the Information Commissioner’s Office last year. I can confirm that the Information
Commissioner awarded the DVLA the highest rating for the controls it has in place surrounding the disclosure of data.

There have been a few questions about costs. I can confirm that this is priced on a cost recovery model, so it is neither subsidised nor run at a profit. The DVLA charges a fee for providing vehicle keeper details. In the cost recovery model, the fee is £2.50, which is designed to ensure that the cost burden is met by the companies involved and not the taxpayer. There are significant volumes of requests; we are looking at potentially 4 million in the course of this financial year, as my hon. Friend the Member for Torbay highlighted. However, the Government are not seeing either a profit or a loss.

Many Members have mentioned constituents’ complaints regarding bad practice and motorists who feel they have been unfairly treated by parking operators. There are several routes for redress should an operator fall short of the standards expected. The first is the company’s initial appeal process, which it is required to offer under its code of practice. There is also the independent appeals service, which is free to motorists. I have already mentioned the need for an operator to demonstrate compliance with the code of practice in order to retain its membership of an accredited trade association. If there are breaches of the code of practice, the trade association is there to investigate and ensure that action is taken. Without membership, there is no access to DVLA data.

Consumer protection laws also apply here. Those laws are designed to protect consumers from unfair practices. Trading standards officers are there to investigate complaints and can take action against a particular company. Consumer protection legislation applies to individual cases and the actions of the company in individual circumstances. Breaches can result in prosecution.

I hope that colleagues will recognise that the DVLA has gone through significant controls to ensure that the data are handled correctly and that there are controls and audits. There was a question about responsibility. The DVLA is the responsibility of the DFT. The parking companies and on-street and off-street parking sit with the DCLG. We have to work on this issue together because, without car ownership data, accessed through the DVLA, this industry would stop.

Colleagues have raised issues with me in writing previously and today, and there is clearly a significant issue to resolve. The Government are most concerned about the matter, which is why the DCLG launched its consultation. I will ensure that DCLG colleagues are aware of concerns and the content of this debate. I will also arrange a meeting with the trade associations, to highlight the concerns we have in this House about their members’ practices and to review exactly what enforcement action they take. I share the view of my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) that this is a little bit David and Goliath. Our job is to stand up for the Davids, not the Goliaths. That is completely fair.

I have been asked whether there should be a single standard-setting body for the industry. Competition between industry bodies is generally quite good. Competition can improve services, so I do not think we necessarily need to have just one body. I was also asked whether the relationship between the trade associations and the DVLA is appropriate. It is legal, and it is controlled and audited. The information provision is managed. The concern lies in the code of practice and its enforcement. That is where the next actions will be, and I will take those actions forward from today’s debate.

10.58 am

Kevin Foster: I thank all hon. Members who have contributed to this debate. It has been interesting to hear so many examples from across the length and breadth of these islands. This issue is not localised to Torbay.

Competition is good where it is about services, but we would not suggest having competing magistrates courts. Once upon a time, we did that for the civil courts, and it did not produce a good outcome. The concern of many is that the industry is able not only to mark its own homework but to choose the marker. We need to look closely at that. There are more than 4 million of these transactions. Given the debate we have had today about the cost and the comments made in a House of Commons Library document, based on a Transport Committee report in 2014, I suggest that the Minister places a letter in the Library. It would be helpful if he clarified that point.

Andrew Jones: I am happy to make that commitment.

Kevin Foster: I thank the Minister for that positive reply and the courtesy he has shown. This issue will continue, and further action is needed. We cannot stand aside and ignore the key role the state plays in handing over details that it compels its citizens to provide to the DVLA and in allowing some of these practices to continue.

Question put and agreed to.

Resolved,

That this House has considered the relationship between the DVLA and private car parking companies.
Treaty of Rome: 60th Anniversary

11 am

Stephen Gethins (North East Fife) (SNP): I beg to move,

That this House has considered the 60th anniversary of the Treaty of Rome.

It is good to be here today under your chairmanship, Ms Dorries. I think this is the second time that I have had the opportunity to do this. This week, as you will be aware, leaders from around Europe will gather in Rome to mark the 60th anniversary of the signing of the treaty of Rome. I thought that regardless of whether people voted to remain in or leave the European Union, it would be opportune for us to reflect on the 60th anniversary, and I thank the Minister for taking the time to come along today. It is a momentous event this weekend, and I think it right that we mark it with this debate.

For more than 60 years, European nations have worked together to create our continent’s longest ever period of peace, freedom, stability and prosperity. In place of conflict, the European Union has allowed member states to find consensual solutions to problems through dialogue, diplomacy and democracy. It can be easy, in the day-to-day of politics, to lose sight of the achievement that there has been in the 60 years since the signing of the treaty and more generally in the past 70 years. As Winston Churchill once said:

“To jaw-jaw is always better than to war-war.”

We should always reflect on that in this place and elsewhere.

As a result of the treaties, all member states, no matter how big or small, are represented in the European Parliament, the Council, the Commission and the institutions, in which the emphasis is on seeking compromise and consensus among those nations. It is little wonder that the EU was awarded the Nobel peace prize in 2012 for its achievements to date. That is worth reflecting on as well.

This weekend, there will naturally be the elephant in the room of European cohesion, given that the anniversary comes just before the triggering of article 50 by the UK Government. I am sure that that will be in people’s minds. I think our European partners should be mindful of the events and circumstances that led up to the UK’s voting to leave the European Union. The EU has never been afraid of reform or debate, and I hope that it will take on board the lessons that need to be learned from the UK’s experiences of the past few years, regardless of what the future might hold for these islands.

Nevertheless, that should not preclude us from reflecting on the EU’s extraordinary achievements and successes. At a time of rising instability and economic uncertainty, it is worth bearing in mind that our closest neighbours politically and economically remain countries such as Ireland, Germany, the Netherlands, France and the other member states. Those are and will remain our closest partners economically, politically and, of course, geographically.

The Minister would be surprised if I did not raise the fact that Scotland voted overwhelmingly—it had the biggest gap between leave and remain—to remain part of the European Union. Every single local authority area in Scotland voted to remain. Even those that voted against membership of the European Economic Community, as it was, back in 1975 voted to remain part of the EU. We voted to retain the benefits of EU membership and remain an open, inclusive and tolerant society that seeks to build economic partnerships with all those closest to us, be they in these islands or elsewhere in Europe.

We voted to remain in the EU—this goes back to the success of the treaties—because it makes our country safer. The European project has cemented peace in a historically unstable continent, not just after the second world war but in later years, when the EU had a positive role to play in areas as diverse as Northern Ireland and the western Balkans. We owe a debt of gratitude to our European partners for the positive role that they played in Northern Ireland and the successes of the peace process to date, but of course that is ongoing. The Minister will perhaps reflect on the fact that the carrot of EU membership and the norms associated with the European Union have been crucial to securing peace in the western Balkans, but I recognise that that important process is ongoing, and I hope that he will reassure us today of the UK Government’s ongoing commitment to that part of Europe even in the aftermath of our leaving the EU. My ideal has always been that the EU would become—indeed, it is—a soft superpower, serving our domestic interests and of course complementing the work of NATO.

In those areas the treaties have made us safer, but we also voted to remain in the EU because it makes the UK wealthier. Access to the single market has brought considerable benefits to all of us, and not least to small and medium-sized businesses. It was interesting to see the work that the Federation of Small Businesses Scotland has done on this of late. It shows that our annual exports to EU countries outside the UK are worth more than £2,000 per person.

In Scotland, we also voted to remain part of the EU because it makes the UK fairer. Access to the single market means that women are not being discriminated against on the ground of age, race or gender and in many other ways comes from Europe, as does the right to parental leave, paid holidays and other benefits.

Kirsten Oswald (East Renfrewshire) (SNP): My hon. Friend is making an incredibly powerful speech about the benefits of the EU. It is clear that the EU has been instrumental in moving forward individual rights, including the rights of women. We should celebrate the fact that European women have the world’s highest average score in the personal freedom index. Does my hon. Friend agree that that is important?

Stephen Gethins: My hon. Friend always makes excellent points, and she makes a particularly good point on this issue, on which membership of the EU has complemented those rights. I would be encouraged if the Minister reflected on our continued commitment to the rights that we enjoy as European citizens.

We also benefit from the EU because it makes the UK greener. EU legislation is having a direct impact on us right now. The clean air directives of the 1980s were a result of acid rain, as we will all remember, and we are benefiting from them right now—those who survive the
debate will continue to benefit from them. We have also seen ambitious climate change targets, which are working because we are working in partnership with our European neighbours. In recent times, Scotland has had world-leading climate change targets, which it has met ahead of schedule. We have often found more common ground with our partners in Brussels than here at Westminster. It is important that we reflect on that in considering our environment.

Scotland also voted to remain in the EU because it makes the UK smarter. The EU provides our students with life-changing opportunities to study abroad through Erasmus, which I personally benefited from. Will the Minister tell us today about the future of those opportunities? Today, I have the great pleasure of welcoming to the European Union (Mr Robin Walker): I congratulate the hon. Member for North East Fife (Stephen Gethins) on securing this important debate and his thoughtful comments.

The six founding members of the European Economic Community—Belgium, France, Italy, Luxembourg, the Netherlands and West Germany—signed the treaty of Rome on 25 March 1957. The treaty built on the pre-existing European Coal and Steel Community, which was founded in the aftermath of the second world war as a project for peace. Its primary aim was to ensure that the European continent would never again suffer the blight of war that it had seen, generation after generation, in the run-up to that period. In that regard, I agree with the hon. Gentleman that the legacy of the treaty of Rome is one of great historical achievement, and its anniversary marks the longest period of peace in Europe's written history.

The treaty was a major step in the journey of European integration. It was followed by the treaty of Maastricht, which established the European single market, and then the treaty of Lisbon, which established the European Union as we know it today—an organisation that is dramatically different from the European Economic Community, which the UK joined under a Conservative Government in 1973, against the opposition of the Scottish National Party. This weekend, not only the six founding member states but 27 European nations will meet to celebrate those achievements and to reflect on the next steps in their journey. To that end, the European Commission recently published a White Paper on five
future scenarios for the EU. Those range from reducing the EU to nothing but the single market, to a major push towards greater integration. It is a matter for the remaining members of the EU to decide which course they choose to follow, but whatever they decide, we know that it will be a future where the United Kingdom is not a member, but a partner. It would therefore not be appropriate for us to attend the treaty of Rome celebrations or to speculate about the future direction of the European Union, but as the EU approaches its 60th anniversary we wish them well.

It remains overwhelmingly and compellingly in Britain’s national interest that the EU should succeed both politically and economically. Let me be clear: as the Prime Minister has said, while we are leaving the European Union, we are not leaving Europe. We are seeking a new, strong and constructive relationship with the European Union—a partnership of friends and allies, interests and values.

While the institutions and remaining 27 member states of the EU consider their future, we are of course focused on the future of the United Kingdom. As a Minister at the Department for Exiting the European Union, I know well the strength of feeling that surrounds our withdrawal from the European Union, and many of the complicated issues—some of which the hon. Gentleman touched on—that it throws up. I made the case to remain in the European Union during the referendum, but I always committed to respect the result and I understand that we required the consent of the British people to remain a member of the EU. Now that we are focused on implementing the result of a UK-wide referendum, the European Union’s role is one of the strongest in the world.

Leaving the EU offers us an opportunity to forge a new role for ourselves in the world—not isolationism, as the hon. Gentleman suggested, but negotiating new trade agreements and being a positive and powerful force for free trade. Britain’s economy is one of the strongest in the world.

**Stephen Gethins:** I am grateful to the Minister for his helpful and thoughtful comments. Will he take this opportunity to reflect on the education sector in particular? As I mentioned, the Principal of St Andrews is visiting, along with a number of colleagues, and the university sector is important across the United Kingdom. It is an area of particular concern, and I would be grateful if the Minister addressed it.

**Mr Walker:** Absolutely. I was going to come to that issue later in my comments, but I am happy to address it now. From having a large and growing university in my constituency, meeting people at universities around the country and attending the higher education councils of the Minister for Universities, Science, Research and Innovation, my hon. Friend the Member for Orpington (Joseph Johnson), I believe the importance of some of these issues for the university sector. I was glad to see the commitment in the Government’s White Paper to continue research collaboration with the EU, to be forward-leaning in our approach to making sure that Britain remains a scientific superpower and to building on our excellent record. I believe that UK universities play an important part in research collaboration, and hope that through negotiations we will be able to agree to an approach that secures the benefits of it.

This is one of many areas where we in the UK Government agree with elements of the Scottish Government’s White Paper that set out the benefits of areas where we can continue to work with European friends and allies. While we accept that we are leaving the EU, there are still areas where we will want to be able to work closely together. I recently visited the University of Glasgow and spoke to academics there about the importance of EU funding and structures for them. I recognise those issues, and we are certainly taking them on board as part of our negotiating strategy.

As I was saying, Britain has a strong economy and we are well placed to face the future. We will remain the bold, outward-looking nation that we have always been, and being a scientific superpower and a research leader in the world is an important part of that. Global Britain will be more than just a trading nation; we will continue to play a significant role in defence and security, promoting and protecting the interests of our people around the world. That will not change. The hon. Gentleman mentioned the peace process both in Northern Ireland, which we are absolutely committed to continuing and made a prominent part of our White Paper, and in the western Balkans. I believe the important role that the European Union and NATO have played in that, and that the UK can continue to play in supporting peace in Europe. We should certainly continue to lean in and play that role, and we are able to do that partly as a result of our investment in defence as well as in soft power. The European Union will be an important partner as we do that, as will many of its member states. The negotiation is not just about what is good for the UK; it is about what is good for the remaining European Union as well.

As the European Union considers its future and the UK builds its new role in the world, we will also redefine our relationship with the EU. We will approach the negotiations as friends. A constructive and optimistic approach to the negotiations is in the best interests of both the EU and the UK. The Prime Minister has now set out the Government’s plan to achieve a new positive and constructive partnership between the UK and the European Union. We have set out our objectives to give as much certainty as possible throughout the process. Now, the overwhelming majority of people, however they voted, want us to get on with it, so that is what we will do.

We will negotiate and leave as one United Kingdom, seeking the best possible deal for the whole of the UK as we do so. We are not trying to cherry-pick aspects of EU membership. The Prime Minister has been clear that she respects the position taken by European leaders that membership of the single market would mean accepting all four freedoms. As the Prime Minister has also stated, being out of the EU but a member of the single market would mean complying with the EU’s rules and regulations to implement those freedoms, but without having a vote on what the rules and regulations should be. It would mean accepting a role for the European Court of Justice that would see it have direct legal authority over our country. To all intents and purposes, it would mean not leaving the EU at all. We are seeking a bold and ambitious partnership with the EU from the outside. Such an agreement will be in the interests of both the UK and the EU.
Stephen Gethins: The Minister will be ware from visiting the University of Glasgow, where I suspect he met Professor Anton Muscatelli, that there has been a debate among academia and the business community, and on a cross-party basis in Scotland, about having differential immigration systems in the UK. That could help to bridge the gap between England and Scotland on this issue. What consideration has his Department given to the differential immigration systems in other countries around the world?

Mr Walker: We are carefully considering all the elements of the White Paper that the Scottish Government presented to us. On immigration, we are aware that we have to meet the needs of the whole of the UK, including all its industries and all parts of the United Kingdom. I did indeed meet Professor Muscatelli and had a very useful conversation with him. That is part of the stakeholder engagement process that our Department has been undertaking throughout all the parts of the United Kingdom to make sure that we are looking at the opportunities of EU exit, as well as the risks.

We are looking for a mutually beneficial deal. In our future relationship with the EU, we want clarity and certainty. We want to take control of our laws.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the Minister give way?

Mr Walker: In one moment. We want to control immigration but recognise that that means meeting the needs of our economy, as well as the desire of the British people to see greater control. We also want to secure the rights of EU nationals in the UK and UK nationals in the EU, to ensure free trade and to co-operate in the fight against organised crime and terrorism. As we have discussed, we see significant opportunities for continued co-operation on education, science and research. Would the hon. Gentleman like to intervene?

Nadine Dorries (in the Chair): Order. Absolutely not.

Mr MacNeil: On a point of order, Ms Dorries.

Nadine Dorries (in the Chair): No, absolutely not.

Mr Walker: We seek a mutually beneficial relationship of friendship and co-operation. Our future as the United Kingdom is one where this Government will continue to protect and strengthen our precious Union of England, Scotland, Wales and Northern Ireland. That will continue to be true as our whole Union and its constituent parts withdraw from the EU.

There has been significant intergovernmental engagement between the four Governments since the referendum result. The Prime Minister’s first visit following the referendum result was to Edinburgh, followed quickly by Cardiff and Belfast. She recently spoke in Glasgow and was in Swansea with my Secretary of State only on Monday. We are committed to continuing to engage fully with the Scottish Government, the Welsh Government and the Northern Ireland Executive as we move forward into the negotiations and prepare for a smooth and orderly exit from the EU for all of us.

We will absolutely continue with our commitment to workers’ rights, which the hon. Member for North East Fife referred to. My right hon. Friend the Secretary of State has often pointed out that many aspects of UK law go well beyond EU law in terms of those commitments. We also want to continue working with our friends and neighbours to meet our environmental commitments well into the future.

At this momentous time, it is more important than ever that we face the future together, taking forward our shared interest in the UK being an open, successful, global nation in future. As member states of the European Union meet this week to discuss the history and future of the European project, we wish our EU partners well. At the end of the negotiations, the UK will no longer be an EU member state, but it will be a close ally and friend. A strong partnership between the UK and the EU is in the interests of both, and we congratulate all the EU’s members on this important anniversary.

Question put and agreed to.

11.24 am

Sitting suspended.
UN International Day for the Elimination of Racial Discrimination

[Mr Gary Streeter in the Chair]

2.30 pm

Dawn Butler (Brent Central) (Lab): I beg to move.

That this House has considered the UN International Day for the Elimination of Racial Discrimination.

I am pleased to be having this debate on the day that the United Nations has declared an international day for the elimination of racial discrimination. The theme this year is racial profiling and incitement to hatred, including in the context of migration. I wonder whether the UN had any particular person in mind when it came up with that theme. I hope that, if Donald Trump is watching, he might send us a tweet.

Why this day? On 21 March 1960, at a peaceful demonstration in Sharpeville, South Africa, police turned their guns on protesters and started shooting. They killed 69 people and injured hundreds more. Therefore, each year, the international community comes together to observe this day. In South Africa, it is human rights day, a public holiday to commemorate the lives lost in the fight for democracy and equal human rights. Until now, Parliament has not fully and formally acknowledged this day. As the MP for Brent Central, the most diverse constituency in Europe, I am pleased to be leading this debate.

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank my hon. Friend. Friend and neighbouring MP for bringing this important debate to the House. She mentions the diverse constituency that she is proud to represent here in Parliament. Our constituencies are close to each other and share areas such as Kilburn High Road, where there is a lot of racial profiling of black men. I am sure that she will come to this in her speech, but does she agree that something must be done about the racial profiling of young black men in the Kilburn and Brent area? It is adding to the disillusionment of many in our society.

Dawn Butler: My hon. Friend is absolutely right. Racial profiling is not a good way to police communities; in fact, it builds resentment and adds to the problem. On this day when we acknowledge and try to eliminate racial discrimination, that issue should and must be addressed.

It is important that our Parliament marks this day. Until we live in a post-racial world, we must be vigilant. I am sure that that world will happen, but I am also sure that it will not happen in my lifetime. Our UK Parliament is the mother of all Parliaments, and we are at our best when we lead the way. While I am talking about leading the way, I thank Mr Speaker for allowing us to acknowledge this day in the state rooms at a wonderful reception last week.

I hear people say all the time, “I’m not racist; I have black friends. I haven’t got a racist bone in my body.” We need to wake up. I am not sure how many people watched ITV last night, but I did. It showed an undercover sting against a right-wing terrorist group that, although banned from the UK, still exists. We must be careful. Given the imminent triggering of article 50 and the election of President Trump, whom I mentioned earlier, this day is becoming extremely important.

We are witnessing a surge in intolerance, lack of understanding of different communities and dehumanising of individuals. Dehumanising a person makes it easier to justify inhumane actions towards them: “They’re not like us. They’re different. They have different colour skin. They have an accent. How can we trust them?” We should be embracing differences; they make us stronger, not weaker. We should be fighting poverty and global warming, not other human beings.

I sometimes wonder what UKIP expected when it published that awful “Breaking Point” poster depicting a crowd of brown-skinned refugees. Yes, UKIP’s side won the referendum, but racist views have increased, along with hatred and violence. Sexism, racism, xenophobia, anti-Semitism, anti-refugee sentiment—all the tools of hate are on the rise.

Tulip Siddiq: My hon. Friend is being generous with her time. Does she agree that the Government should be doing more to take in refugees, that the abandonment of the Dubs amendment, under which we were meant to help unaccompanied children around the world to come to our country, should be condemned and that we should be doing more?

Dawn Butler: I agree with my hon. Friend. The thing about hate and racism is that it will stop only when we stop it. The Dubs amendment was important. It gave hope to people fleeing circumstances that we too would flee if we were faced with them. Rowing back on that commitment was hugely disappointing.

We must stand up for the rights and dignity of all. An attack on one minority community is an attack on all communities. Every person is entitled to human rights without discrimination. Protecting somebody else’s rights does not in any way diminish our own. Last week, I asked a question on the Floor of the House using British Sign Language. I did it to raise awareness for deaf and hard of hearing people, so that their language could have legal status. That in no way diminished my rights; it only enhanced theirs.

Next week, when the Prime Minister triggers article 50, Parliament will close for two weeks for Easter. During that two weeks, it is even more important that we are vigilant for signs of the aftermath. We must look out for our friends, our neighbours and people we do not even know. We must not forget that we are all a minority at some point, and we should treat people as we would like to be treated.

Angela Davis said that “it is not enough to be non-racist; we must be anti-racist.”

Hate crimes have spiked since 23 June 2016. Reported hate crime rose by 57%. Seventy-nine per cent. were race hate crimes, 12% were sexual orientation hate crimes, 7% were religious hate crimes, 6% were disability hate crimes and 1% were transgender hate crimes. However, those are just numbers, which do not tell the full horror of those hate crimes. So here are a few examples of incidents that have occurred over the past few months.

Anti-Semitic stickers were plastered on a Cambridge synagogue. Three young males racially abused a US army veteran on a Manchester tram, telling him to go back to Africa. A British Muslim woman was grabbed by her hijab as she was having dinner in a fish and chip shop. A letter was sent telling Poles to go home as a fire was started in their Plymouth home. An Edinburgh taxi
driver from Bangladesh was dragged by his beard. A 40-year-old Polish national was killed because he was allegedly heard speaking Polish. A 31-year-old pregnant woman was kicked in her stomach and lost her baby. On Valentine’s day, a gay couple were attacked by five men for falling asleep on each other. I could go on.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I thank my hon. Friend for bringing this critically important debate. She will know that, in Newcastle, we are celebrating Freedom City 2017, marking 50 years since Martin Luther King came to Newcastle to accept an honorary doctorate and spoke about the three great evils: poverty, racism and war. The examples that she has given show us, if we did not know already, that we must embed the legacy of Martin Luther King’s work and continue the struggle, because we are far from living in a country where people are judged by the content of their character rather than the colour of their skin.

Dawn Butler: I absolutely concur. Martin Luther King was a great orator. He also said: “I can never be what I ought to be until you are what you ought to be... this is the interrelated structure of reality... all mankind is tied together... in a single garment of destiny.”

Until we realise that, we will never live in the post-racial world that we hope for and that was Martin Luther King’s dream.

Some racial discrimination is from unconscious bias, but some is overt. There are elected people who hold overtly racist views, such as the councillor who argued that she was not racist—even after proclaiming that she had a “problem” with “negros” because there was “something about their faces”. You could not make it up! Racial and ethnic discrimination occurs every day, hindering progress for millions of people around the world. Racism and intolerance take various forms, from denying individuals the basic principles of equality to fuelling ethnic hatred. At their worst, they can turn people to violence and even genocide. They destroy lives and communities and poison people’s minds. The struggle against racism and discrimination is a priority, not just for us in the UK but for the international community.

For anyone who has experienced racism, not much of what I have said today will shock them, but it highlights just how far we still have to go and the importance of educating the young and facing the uncomfortable truth so that history does not repeat itself. Sometimes we have to fight a new, mutant strain of racism, so we always have to be aware of what is going on around us and stand up for other people as well as ourselves.

My parents were migrants who came to this country and suffered racism. Actually, I like to call them expats, because they left their home in the warm, sunny climes of Jamaica to come to cold England, full of smog and fog, to help the country to rebuild after the war. When we speak to our elders, we are acutely aware that racism and hate are not necessarily new. There are pictures of racists here on the walls of Parliament. I remember my first office: I had to look at Enoch Powell’s face every time I walked in, because it was right there at the entrance. Sometimes I would make a rude sign at the photo when I walked in, but in general it upset me.

I decided that I did not want to start my day by being upset, so I insisted that the picture was moved. If the House authorities had not removed it, I would have removed it permanently.

We must also remember Britain’s part in the slave trade, which is the foundation of much of our national prosperity. It was justified by the empire and the language of racial superiority, but that is not what defines us. It is a part of our shameful history, but surely there must come a time when it stops—when it no longer matters that a person is different from us and when we appreciate what we have in common. The Mayor of London has spoken about choosing “hope over fear and unity over division”.

When we see only hate, that hate becomes so great that it transforms into something else, where the problem is not just the colour of someone’s skin, but their accent or the fact that they are committed to fight for someone else’s rights.

At the height of the xenophobic atmosphere, an MP and leading migrants advocate was murdered. The murderer gave his name in court as “Death to traitors, freedom for Britain”. That MP, Jo Cox, was my friend and the friend of others in this place and beyond. Even after the hateful, despicable crime by that terrorist, her family wanted us to “love like Jo” and repeat her mantra that “we are far more united and have far more in common than that which divides us.”—[Official Report, 3 June 2015; Vol. 596, c. 674-75]

That is why it is important to acknowledge this day with the rest of the international community. We must unite together with one voice and build bridges, not walls. As William Shakespeare wrote:

“If you prick us, do we not bleed? If you tickle us, do we not laugh? If you poison us, do we not die?”

My theme tune when I face discrimination is a song written and recorded by the British singer-songwriter Labi Siffre. It was inspired by a television documentary on apartheid in South Africa that showed a film of police killing black people. It is “(Something Inside) So Strong”. These are the words:

“The higher you build your barriers, the taller I become
The further you take my rights away, the faster I will run
You can deny me, you can decide to turn your face away
No matter, ’cause there’s something inside so strong
I know that I can make it, though you’re doing me wrong, so wrong
You thought that my pride was gone—oh no
There’s something inside so strong
The more you refuse to hear my voice, the louder I will sing
You hide behind walls of Jericho—your lies will come tumbling
Deny my place in time, you squander wealth that’s mine
My light will shine so brightly it will blind you
Because there’s something inside so strong.”

I hope that the Government commit to marking this day each year, so we never forget to remember those who gave their lives for equal rights and to celebrate the beauty of our diversity. After all, we have only a short time on this earth.

Mr Gary Streeter (in the Chair): Colleagues, we have about eight minutes for each Back-Bench speech.
Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is an absolute pleasure to serve under your chairmanship, Mr Streeter. I particularly thank the hon. Member for Brent Central (Dawn Butler) for bringing such an important debate to Westminster Hall today. Her speech was delivered so eloquently and with such high emotion, which is only right, given the topic. It will be remembered in Parliament for years to come.

Rights to equality and non-discrimination are cornerstones of human rights law. Today, the Office of the UN High Commissioner for Human Rights is asking people to “Stand up for Someone’s Rights Today”, which is an important step that I believe we should all be taking. I will speak briefly about three main issues today: the impact of discrimination on the individual, the impact on refugee communities, which are extremely vulnerable, and why we must learn lessons from the past and never forget them.

Racial discrimination is surely toxic, not only for the individual who experiences it, but for society. It has an impact on people’s self-esteem and it can even lead to mental health issues, such as depression, loneliness, isolation or feeling ostracised. Discrimination closes us to experience, rather than opening our appreciation for diversity, culture and religion. It is an unhealthy position to take: it undermines the self-worth of those who experience it, but it is also unhealthy for those who discriminate, because it closes them off from experiences of culture, religion and tolerance that would enhance their own being.

Education is key, particularly for younger generations at school and beyond. The internet can widen our horizons, but it can also be a place where people experience discrimination and intolerance. Surely we should be looking at the UK Government’s policy on that and at how they work with providers. The internet can help us to connect. It can be positive; it can help us to speak to people from different nations, understand their experiences and learn about their lives. It can be a doorway to understanding, but it must be used appropriately. It can be very important in the future, given the way in which we can link with people from right across the world in an interactive manner.

Secondly, racial discrimination can impact upon disenfranchised communities, particularly refugee populations. It is not helpful to ban particular races from entering countries, and I implore the President of the United States to reconsider his actions in that regard, because his policy has no actual basis in risk assessment or risk management. Such a heuristic measure does nothing to promote understanding, tolerance or integration, and in the long run it does little for security.

We must understand that often refugees are fleeing conflict, torture, starvation, malnutrition or other significant life-impacting situations—things that we would never want ourselves or our families to experience. As a member of the International Development Committee, I was privileged to visit the refugee camps in Jordan and Lebanon at the end of last year and to meet and speak with refugee families and their children. I was able to interact with the young children in their schools, including those who were traumatised and had not been able to speak for days or even weeks, and needed mental health care—those needed expert help and assistance. I was told about the difficulties that host communities experienced in integrating large numbers of refugees, and the strains that Governments felt were being placed on local jobs and on education and health systems. Both Jordan and Lebanon have done much to address these issues, but there is much more to do.

When Governments do not allow refugees to live, work or engage properly in local communities, it creates a “them and us” attitude. It reduces tolerance and understanding. Integration, tolerance-building and learning from each other, are key to the way forward. We should encourage Governments to progress in this manner, but we also need to look at our own role, particularly over the Dubs amendment, and our attitude to refugees. Lone children in Europe; those who need our assistance; those who are vulnerable; those who may be disabled; those who have no parents to help to look after them—surely we must be able to open our hearts to those children and, more importantly, offer them refuge.

Bob Stewart (Beckenham) (Con): One thing that severely worries me is that I get many letters from constituents who say that the matter of children coming into this country is of deep concern to them. I write back and say, “I have not had one constituent who has said to me, ‘I will take a child into my house.’” That really worries me, when we compare it with what happened in 1938-39 with the Kindertransport. We have changed in the way we approach this sort of thing.

Dr Cameron: I thank the hon. Gentleman for his intervention. We must open our hearts and our homes to lone children. It is incumbent upon us as a progressive society to do so, and I know that local authorities in Scotland are keen to accept more children and more child refugees.

Bob Stewart: Local authorities, not families.

Mr Gary Streeter (in the Chair): Order.

Dr Cameron: I know from speaking to Save the Children that those children are very much in need. Many of them are going missing; we do not know what has become of them. As a country with a responsibility in the world, surely we must take that very seriously.

Thirdly, learning lessons from the past is important. If we cannot learn lessons from the holocaust and ensure that such dehumanisation of a race never occurs again, then there is little that we can learn in this world at all. It is incumbent upon us to challenge discrimination wherever it occurs—in schools, colleges, the workplace and beyond. Political leaders must lead and ensure that anti-Semitism and other forms of discrimination are challenged in all of our systems.

We all have a part to play, from the nursery teacher teaching our toddlers to the university lecturer to politicians. We must challenge discrimination at all levels of society. Only then will we achieve true equality: when we stand up, stand together and ensure that we are no longer divided but that we celebrate diversity.

2.54 pm

Naz Shah (Bradford West) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter.
I thank my hon. Friend the Member for Brent Central (Dawn Butler) for securing this debate. Her powerful words made me emotional. This debate is so timely. This day gives us an opportunity to reflect on the past, the present and the future, and to address the stark discrimination that so many people in this country face. While we have made some strides to improve opportunities for those of all races, we have to recognise the challenges and the disparity that remain. We have so much more to do.

The past has been marked by successes—individual successes, like the police chief superintendent from West Yorkshire police, Mabs Hussain, who is one of only two officers from a black and minority ethnic background to attain that rank in Yorkshire. I recently held an event to celebrate him, but he said then that he hopes to see a day when there is no longer a need to celebrate the success of individuals from BME backgrounds and when people like him are just the norm, but sadly they are not. He is an exception to the rule. He has overcome more difficult odds than those faced by his white counterparts. The truth is that although we see individual successes that can inspire, they are sadly only a footnote to the systematic failures that we see. That is a harsh truth and a harsh reality.

Chi Onwurah: My hon. Friend is making an excellent speech. On the success of some and the lack of success of many, does she agree that the loss of potential and achievement from which the United Kingdom suffers because of the challenges faced by this generation and particularly by the previous generation—the generation of the parents of my hon. Friend. Friend the Member for Brent Central (Dawn Butler)—means that the UK suffers economically as well as socially? It is in our economic interests as well as our social interests to ensure that everyone can realise their potential.

Naz Shah: I thank my hon. Friend for her intervention. I absolutely agree with her sentiments.

It is a harsh reality that many young black and Asian children, and children of other ethnicity, grow up in this country without the same opportunities as their peers. It is a harsh truth for those who will work just as hard but will be paid less—and those who have their chances stifled from birth because of the colour of their skin.

Tulip Siddiq: Is my hon. Friend aware of the Equalities and Human Rights Commission report from last year that showed that BME people with degrees are two and a half times less likely to have a job than their white counterparts, and are more likely to be paid less—an average of 21.3% less—than their white counterparts when they enter the employment world?

Naz Shah: I thank my hon. Friend for her intervention, and I will mention that later in my speech—I am very much aware of it and I agree with her.

Sadly, what I have described is a well-evidenced truth, as my hon. Friend has just pointed out. We only need to look at the House of Commons research on representation in public life from June 2016 to see the scale of the challenge before us. Those from BME backgrounds are severely under-represented in all the professions—not only here, in both Houses, but as judges, teachers, in local government, in the armed forces, and particularly as police. BME representation in police forces is 5.5%. Twenty-four years since Stephen Lawrence and 18 years since the Macpherson review, we are no closer to having a representative police force. That is not progress. BME representation in public life shows marginalisation at best and pure discrimination at worst.

In August 2016, the EHRC published a major review of race equality in Britain. It revealed a post-Brexit rise in hate crime and long-term systemic unfairness and race inequality, including a justice system where black people are more likely to be the victims of crime while also being three times more likely to be charged and sentenced if they commit a crime. Race remains the most commonly recorded motivation of hate crime in England and Wales, at 82%. That is not equality.

Despite educational improvements, black, Asian and ethnic minority people with a degree are two and a half times more likely to be unemployed than their white equivalents, and black workers with degrees are likely to be paid 23.1% less than their white equivalents. That wage gap exists at all levels of education, but it increases as people become more qualified. That is not equality, and it shows that the challenge is increasing. Since 2010, there has been a 49% increase in unemployment among 16 to 24-year-olds from ethnic minority backgrounds compared with a fall of 2% among those who are white.

White workers have seen an increase of 16% in insecure work, while the rise among black and Asian workers has been 40%. Pakistani, Bangladeshi and black adults are more likely to live in substandard accommodation than white people. Black African women in the UK have a mortality rate four times higher than that of white women and are seven times more likely to be detained under the Mental Health Act 2007. That is not equality; it is systemic failure.

While we stand here today and mark the UN’s international day for the elimination of racial discrimination, we must be mindful of the challenges. We must remember the reality that people of ethnicity face, even in developed countries such as ours. In February 2017, Baroness McGregor-Smith’s review of race in the workplace was published. It demonstrated how unequal our workplaces are, how the chances of those from BME backgrounds are stifled and how over-qualified BME workers are less likely to be promoted than less qualified employees. The review makes 26 recommendations, all of which I call upon the Government to implement.

Leaving the EU gives us an opportunity to decide what kind of country we want to be. A report by the Women and Equalities Committee considered the need for strong equality legislation after we leave the EU and made key recommendations, which, I would argue, the Government are morally obliged to enact. [Interruption.] I am not sure of the time of my speech.

Mr Gary Streeter (in the Chair): You have plenty of time. Carry on, please.

Naz Shah: The hon. Member for Beckenham (Bob Stewart), who is no longer in his seat, mentioned constituencies, and it is important to touch upon that issue before I close my speech. He said that we in Britain have changed regarding refugees, in that families do not want to take Syrian refugee children. I am very
proud to come from Bradford. It is a city of sanctuary. We have held events in Bradford specifically aimed at people taking refugee children, and families are coming forward. I have read the numerous messages from individuals asking how they can take in children from Syria and play their part. Why has it taken so long? I am a member of the Home Affairs Committee, and we have taken evidence from councils that say they have spaces. Regarding the Dubs amendment and how Britain has changed, I feel there is a venomous narrative, created by the likes of parties such as the UK Independence party, but we as Britain are greater than that. We as people are greater than that. Post-Trump and post-Brexit, we must concentrate even more on ensuring that we build those bridges.

I call on the Minister to consider all three of the reports I have mentioned, as a stepping stone which, if followed through, could help to steer us on a different path—one of real, not just imagined, equality. As Baroness McGregor-Smith wrote in her review, the time for talking is over; now is the time to act. That will require a concerted and sustained effort from us all, but the solutions are already there, if we choose to apply them.

3.3 pm

Peter Grant (Glenrothes) (SNP): Thank you, Mr Streeter. I am very pleased to contribute to the debate, and I join others in commending the hon. Member for Brent Central (Dawn Butler) on her passionate and deeply personal speech.

I still vividly remember when I first discovered what race discrimination was. At the age of eight or nine, I was watching the TV in my granny’s house and I realised that there was a lot of stuff in the news about something called anti-apartheid protests, which at the time I could not even pronounce. I asked my mum what it meant, and she explained that it was about a system in which black children and white children were not allowed to go to the same school or play against or with each other, except, of course, where black people were working as domestic servants, or near-slaves, for white people. Even as a wee boy—I was not an angel; I was still telling the kind of jokes in the playground that we now try to persuade children not to tell—I could not imagine anyone wanting to live their entire lives without ever interacting with each other, except, of course, where black people were working as domestic servants, or near-slaves, for white people. Even as a wee boy—I was not an angel; I was still telling the kind of jokes in the playground that we now try to persuade children not to tell—I could not imagine anyone wanting to live in a society like that.

Where I grew up there was not a big ethnic minority population, but I could not imagine wanting to see people divided by barbed wire fences because of the colour of their skin, and almost 50 years later I still cannot understand that. I cannot imagine why anyone would choose that as a way to run a society.

Sometimes it is not even anything as much as the colour of someone’s skin. Another clear memory I have, again about South Africa, is that as a teenager I was watching a TV documentary about a wee girl whose parents were white Afrikaners. She was born with white skin, but somehow managed to get facial features that meant she was classed as a negro under the South African system. Her parents refused to let her mix with the blacks, but other white parents did not want their children mixing with her because they thought that she was a negro, so the poor wee soul went to about five different schools as a result of the outcomes of court cases and education board appeals. I could not understand why the parents did not see that as an indictment of the apartheid system under which they lived. The case even led to a change in the race laws in South Africa, not to let black children and white children play together in the playground—that would never have happened—but to say that if two parents were certified white Afrikaners, their children could not be classified as anything else. That completely destroys any shred of credibility that the argument that people are somehow born to be superior or inferior ever had. It is a bit like Crufts having to pass a law saying that it is not permitted to breed two pedigree springer spaniels and call the offspring an Alsatian or a poodle. So even as almost a young man, I was aware that people were trying to put some kind of scientific justification on racism, and I could also see that anything approaching common sense said that that just did not add up.

Something else I saw in that documentary helped me to understand not where racism comes from but how it can be perpetuated. A teacher of a class of white six-year-olds was explaining why the blacks were inferior, talking about how the “funny” shape of their eyes, ears, mouths and noses, and the unclean colour of their skin, meant that they had clearly been made to be inferior. Today, that would, I hope, horrify even white South Africans, but at that time it was how one of the wealthiest and supposedly the most developed countries was bringing up its children. It is not surprising that it is taking a long time for those children to realise the error of their ways.

Of course, we do not do that these days, we do not bring up our children to support racial prejudices—except that we do. Perhaps we do not do it in the same way, by getting teachers to teach the creed of racism to our children, but we do it through what we print on the front pages of our newspapers. If we look back through the past year or two of front-page headlines in some newspapers, the word “migrant” appears more than almost any other word, and never in any context other than to create fear and hatred and continue to paint the myth that if someone is an immigrant they are somehow a danger, rather than a benefit, to society. I have even heard Members of the House of Commons speaking in debates in the Chamber in such a way that makes an explicit assumption that we have to vet every single Syrian refugee because the fact that they come from a predominantly Muslim country somehow makes them more likely to be a danger to us than the criminals we are quite capable of growing among the white working-class and middle-class populations around the UK’s towns and cities.

It is that kind of assumption that has been identified as the main theme of this UN international day for the elimination of racial discrimination. The UN talks about racial profiling and incitement to hatred, including in the context of migration, and as someone said earlier, there are one or two people who could do with heeding those words very carefully indeed. I do not think it is a mistake to link racial profiling with incitement to hatred, because I cannot see any purpose behind such profiling other than racial discrimination, and I cannot see any way that racial discrimination can ever avoid going towards incitement of hatred, racial violence and even worse.
Somebody has already mentioned the New York declaration for refugees and migrants. It is worth reminding ourselves of what that says:

“We strongly condemn acts and manifestations of racism, racial discrimination, xenophobia and related intolerance against refugees and migrants, and the stereotypes often applied to them...Demonizing refugees or migrants offends profoundly against the values of dignity and equality for every human being, to which we have committed ourselves.”

Those are very fine words. Sadly, too many of the Governments whose heads signed up to those words show something different by their actions. Imagine if every child in America was asked to recite those words as well as singing the “Star-Spangled Banner” at the start of the school day. Imagine if every politician in these islands or elsewhere had to recite those words as part of their oath of office. Imagine that as well as—some people would say instead of—a brief period of communal prayer in the Christian tradition in this Chamber, we all stood on camera and recited those or similar words each and every day before we set about our deliberations.

That would at least send a message that what we are here for is to promote the equality of human beings and not to promote inequality and discrimination. Why can we not do something like that?

The horrific statistics that the Equality and Human Rights Commission produced in its report last year have been mentioned. Although the statistics are based on research in England and Wales, it would be foolish and complacent to suggest we would find anything significantly different in most parts of Scotland or in most parts of the rest of the United Kingdom. For all the fine words, and for all the length of time that we have been claiming to be an equal society, we are not.

I want to finish with some personal comments from Baroness McGregor-Smith in the foreword to the document that was referred to earlier. She says:

“Speaking on behalf of so many from a minority background, I can simply say that all we ever wanted was to be seen as an individual, just like anyone else.”

There is no reason on earth why that simple dream should ever be beyond the reach of any human being on God’s earth.

3.11 pm

Kirsten Oswald (East Renfrewshire) (SNP): It is pleasure to serve under your chairship, Mr Streeter. I also commend the hon. Member for Brent Central (Dawn Butler) for securing this debate and for her truly excellent speech today.

I was interested to read that the UN High Commissioner for Human Rights has reminded Governments around the world that they have a legal obligation to stop hate speech and hate crimes, and has called on people everywhere to “stand up for someone’s rights.”

He said:

“Politics of division and the rhetoric of intolerance are targeting racial, ethnic, linguistic and religious minorities, and migrants and refugees. Words of fear and loathing can, and do, have real consequences.”

The hon. Member for Brent Central spoke eloquently about those killed in Sharpeville, South Africa, when they demonstrated against apartheid laws. In recognising that and then proclaiming the international day in 1966, the UN General Assembly called on the international community to redouble its efforts to eliminate all forms of racial discrimination. But here we are, 57 years on, with so much to do. This issue affects everything. For so many people all over the world, the spectre of racism and discrimination looms large over their daily lives.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): On that point, in a 2016 ruling the UN Committee on the Elimination of Racial Discrimination asked the UK Government to facilitate the Chagossians’ return to their islands home and also to properly compensate them. Does my hon. Friend agree that the Government must respect the rights of the Chagossian people? The Government must uphold international law and take proper action to allow them to return home.

Kirsten Oswald: I thank my hon. Friend for that useful intervention. I entirely agree with her point.

For many more people racism is an occasional concern, but that concern still has the potential to destroy their lives. It stifles their potential and that of their children. It causes people to live in fear and despair. How can it be that after all these years, so many people today still have such cause for concern here and around the world, and such starkly different life chances, simply because of their race, their religious beliefs or where they came from?

I make no apology for repeating today the concerns that I highlighted in another debate in this Chamber recently. I said I was worried and fearful in a way I had never been previously for the future of my children, who are mixed-race. That speech resulted in my receiving my very own racist abuse, but that is absolutely nothing to how people must feel when they are routinely treated differently and unfairly, and abused, because of their racial or religious background.

Let us be quite clear. Here and now there is a feeling bubbling away that it is somehow becoming more acceptable than it has been in my lifetime to treat people differently because of the colour of their skin, because they are seen as different. That needs to be acknowledged and addressed. There is absolutely no doubt in my mind that the way to address it is for Governments and people in our position in Parliaments all over the world to stand up and speak out, and, as the hon. Member for Brent Central put it, to be anti-racist. The silence of politicians and the lack of concern and action is exactly what is needed to let racism and discrimination grow and take hold.

The politics of Trump and the politics of UKIP are sleekit, and there is a huge danger that we will allow their nasty racist nonsense to creep into our daily lives. It is absolutely our job here to push against that and to make sure that people know that we will always do so.

The more irresponsible political language and discourse becomes, the worse the impact on anyone who appears different or who can so easily be stereotyped and put into somebody else’s make-up box. As the UN has made clear, such issues face people all over the world and, as we have heard, people who are fleeing across the world. Imagine fleeing persecution, war and terror and meeting with hostility, suspicion and discrimination. Is that really what we are all about?
Every time we turn our backs on people who are being treated badly or fleeing for their lives, we make the situation worse for many people, even beyond those directly affected. What about the child refugees, all alone, whom the UK Government cannot bring themselves to let in? Turning them away sends a very powerful message: if you are different, you are not wanted. Thank God they are not my children.

Every time a politician who should know better—who does know better—uses race as a political tool, they are not only failing themselves, but failing so many other people who deserve for all of us to be focused on fighting discrimination. Yes, Sadiq Khan, that is you. I wish that he would hear the eloquent words of the hon. Member for Brent Central.

Maybe it would be easy for me to say, “Look at Scotland; look at the Scottish Government.” It is true that one of the big things that attracted me to join the SNP was the focus on diversity and inclusion. It is true that the Scottish Government have done much to foster a positive sense of diversity and to welcome those fleeing, and I am proud of all of that. However, as my hon. Friend the Member for Glenrothes (Peter Grant) said, this is not an area where we can have any degree of complacency. For all the important work that has been done, there is always more to do and there are always more issues to be addressed. So we work hard at that all the time because it is important, and because it is the right thing to do for all of us.

In concluding, I want to reflect on someone who made a big impression on me, who I was delighted to hear our First Minister quote in her welcoming and inclusive speech to our conference on Saturday. The late Bashir Ahmad MSP was a truly inspirational man. He embodied much of what is best about our modern, diverse, open Scotland. Born in Amritsar, he came to Scotland from Pakistan and was elected as our first Asian MSP in 2003. He campaigned tirelessly to give a voice to communities that had been little heard from, and we all benefit now from the steps he took then. When he launched Scots Asians for Independence, he gave a speech saying:

“It isn’t important where you come from, what matters is where we are going together as a nation.”

Now more than ever that should resonate with all of us here and give us pause for thought as we go about our jobs.

3.18 pm

Anne McLaughlin (Glasgow North East) (SNP): I congratulate the hon. Member for Brent Central (Dawn Butler) on making me cry twice in a week. Thanks very much for that. The first time was last week at the beautiful event held at the Speaker’s House to mark this day. Today, it was understandable that there were few dry eyes in here.

On 21 March 1960 an 82-year-old stonemason in Pretoria, South Africa, wrote a poem in Scottish Gaelic with a Swahili refrain condemning the bloody massacre in Sharpeville of 69 black South Africans, many of them shot in the back. Originally from the Isle of Mull, Duncan Livingstone was a Boer war veteran who had worked and lived in Glasgow before emigrating to South Africa and spending the rest of his life there. What was clear to that Hebridean Glaswegian, whose work is still visible in the city today, was clear to right-thinking people across the world, and in 1966 the UN declared 21 March the international day for the elimination of racial discrimination.

While we seldom see such blatant and violent racism of such a scale in developed countries, at least today, pernicious racial discrimination remains in most if not all societies. Just because most of us will never experience it and most of us will rarely witness it, that does not mean it does not happen. Some of it is in a blatant form. I did not want to intervene on the hon. Member for Brent Central, because the point she was making about race hate crimes was too important, but I will say that the increase in Scotland was very much less. I say that not to say “Scotland good, England and Wales bad”; I say it because I think it has an awful lot to do with the difference in political rhetoric from each Government. It does make a difference.

We have not eliminated racism in Scotland. Far from it. Let me fast-forward to Glasgow, 50 years on from when Duncan Livingstone wrote that Gaelic-Swahili poem. About eight years ago I accompanied a Sudanese friend to the housing office, because I could not understand why, as a homeless person, he had not been offered accommodation—anything at all—one year on from becoming homeless, which happened as a result of his refugee status being granted. The housing office informed me that he was not classed as homeless because he was staying with a friend. “But he’s sleeping on a yoga mat on the living room floor, and has been for a year,” I said. What did they say in response? They told me that that did not necessarily constitute homelessness—actually it does—because “lots of Africans are used to sleeping on the ground. They like it.” That is blatant. He was denied his legal rights. It was only eight years ago. That is racial discrimination.

I think the really dangerous racism, other than institutionalised racism, is that which is under the radar. It is so subtle that unless you are the recipient, you probably would not pick it up on it. It is not always intentional—most people do not want to be racist—but I have heard people speak about black friends of mine not in critical terms, but saying how they are quite aggressive and forceful, when they are nothing of the sort—they are simply expressing themselves. We all need to be honest with ourselves about it because confronting our own thinking is the best way to change it. I am not excluding myself from that. My partner is black and I have had people telling me that therefore I must not be capable of racism; but that is such a dangerous way to think. I am subjected to media images and propaganda the same as anyone else. None of us is immune to thinking or acting in a racially discriminatory fashion, but we are all capable of challenging our own thoughts and monitoring our actions, and morally obliged to do so.

When I say none of us is immune, I primarily mean none of us who are white. I sometimes read comments from white people who say “But black people are just as racist”. I keep saying we need to learn and educate ourselves, and I am going to share something about it because confronting our own thinking is the best way to change it. I am not excluding myself from that. My partner is black and I have had people telling me that therefore I must not be capable of racism; but that is such a dangerous way to think. I am subjected to media images and propaganda the same as anyone else. None of us is immune to thinking or acting in a racially discriminatory fashion, but we are all capable of challenging our own thoughts and monitoring our actions, and morally obliged to do so.

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while there might be prejudice from a black person to a white person, as that black person probably is not as propped up by the levers of power, as embedded in the UK’s institutions, as immersed in the establishment of the UK, it cannot be called racism. It is simply an opinion that ordinarily has little impact on the white person’s life. Racism—I am not trying to define it here—is about the desire and ability to exercise power over someone because of the colour of their skin and the colour of one’s own skin. The world is still weighted in favour of white people. The UK is still weighted in favour of white people.

That brings me to the biggest problem as I see it, which is institutionalised racism. Who runs the judiciary? White people. Who runs the Government? Primarily white people. The civil service, Churches and media? White people. As for some sections of the media and the responsibility they have, we can talk about the irresponsible way they behave—most Scots will remember when every drunk person in a TV drama series or film had to be Scottish. We hated that, unless it was “Rab C. Nesbitt”, of course, but at least we had positive role models too. Black children growing up rarely had positive black role models. It was not that they did not exist, just that they never got to see them. Just as importantly, neither did we. Instead, when black people were on TV it was generally a negative portrayal. My partner Graham—his name is Jamaican, and his mother is from Grenada—told me that when Trevor McDonald came on the news, it was an event. There he was, a black man being listened to and taken seriously. Now, he says, it does not even register with him when a black person is on TV and being taken seriously. He did add, however, that it is absolutely right that the next step has to be for them to get parity in their industry.

I was going to talk about increasing income disparity between people of different ethnicities as they become more qualified, but the hon. Member for Bradford West (Naz Shah) covered that for me, so I shall take the time instead to respond to a comment from the hon. Member for Beckenham (Bob Stewart) about letters he gets telling him that child refugees should be brought here. The hon. Lady agree that perhaps the hon. Member for Beckenham needs to have a word with the Government about the Dubs amendment before he starts talking about how people have changed in this country?

Anne McLaughlin: I agree. I wish that the hon. Member for Beckenham had stayed to listen, but perhaps we shall encourage him to read Hansard.

To return to the hiding of positive black role models, it is obviously worse for those who are not just black but women as well. I want to tell the story of Mary Seacole, in case hon. Members do not know it. She was a Scots Jamaican nurse who raised the money to go to the Crimean war and nurse war-wounded soldiers. What she did was not hugely different from what Florence Nightingale did, although some argue it was a lot better; I am not one of them. However, they were remembered differently. Mary Seacole finally got a statue last year. It sits outside St Thomas’s Hospital facing the House of Commons. MPs will remember getting letters from the Nightingale Society saying “Seacole was no nurse. Fine, give her a statue, but not there—not in such a prominent place. Hide it away somewhere.” I thought, given that she was the first black woman in the UK to be honoured in such a way, that that behaviour was an absolute disgrace. What is also disgraceful is the fact that in 2016 she was the first black woman to have a named statue in her honour. The history books are full of white people—men, mainly, but white all the same—but history itself is full of inspiring people of all ethnicities.

I want us to be able to look back in not too many years’ time and be horrified at some of the subtle racism we have heard about today. I want us to be embarrassed that only a tiny percentage of the Members of this House were from BME communities in 2017, and to ask how on earth we allowed our great institutions to be so white. If future generations look back at us and shake their heads in disbelief, so be it, because at least they will be living in a better time—a time when, I hope, discrimination based on someone’s ethnicity will have been completely eliminated.

3.29 pm

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Brent Central (Dawn Butler) on securing the debate and on setting the scene so beautifully and eloquently, as always, and so passionately as we observe this day. It is of course important to mark this day. She said that we should be united together with one voice. In turbulent political times, it is wonderful to find any kind of platform where we can join together in one voice, so we should embrace that. My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) rightly spoke about education being key, as it can widen horizons, but there is an increasing propensity for discrimination online. We should be concerned about young people’s exposure to that.

The hon. Member for Bradford West (Naz Shah) spoke about black, Asian and minority ethnic representation in public life. It is absolutely clear that we need to
address that face on. She also gave some shocking statistics on employment. My hon. Friend the Member for Glenrothes (Peter Grant) gave an international perspective and said that we clearly are not an equal society. We are not, unless women are given their due and rightful place, are paid accordingly and have equal representation across society.

My hon. Friend the Member for East Renfrewshire (Kirsten Oswald) always speaks out on these issues. She faced abuse when she spoke out for people suffering racial abuse. Unfortunately, that is what happens when we raise our voices—we find ourselves also the subject of abuse. She rightly expressed concern for her children, but she also spoke, rightly, of the need to help those in need, wherever they may be. She also spoke of the late Bashir Ahmad, who was my friend and a friend of my family. He is greatly missed, and his words ring true today, just as they did so many years ago.

My hon. Friend the Member for Glasgow North East (Anne McLaughlin), while stealing some of my time—I am always happy to give it to her—gave her personal insight, as usual. She has fought for equality all her life and has never been afraid to speak out. I say to all those who speak out that it means so very much to us as members of the BAME community that people are prepared to do so. I make that point as a BAME MP. I am proud to be standing here with my fellow parliamentarians from the Scottish National party, who are all non-BAME parliamentarians but are happy to raise their voices and speak up for what is right.

I often face the question, “Where do you come from, Tasmina?”—which is followed up with the question, “No, but where do you really come from?” I want to take a couple of minutes to speak about the impact of racism on young people and children, because it endures and lasts a lifetime. You may not have considered this to be so, Mr Streeter, but as a child in Edinburgh—I was one of the first children of mixed marriage, which started to take place a number of years ago—I faced an awful lot of racial discrimination. I was called many names: golliwog, black Sambo, Paki—you name it, I got all of it. I was bullied at school, beaten up and so on. My late father was from Pakistan, and the last thing I wanted as a young child was for him to feel guilty that it was because of him that I was facing that abuse. There are young children who feel the same way today.

What is of even greater concern in relation to my children and those of Members in the Chamber and those listening in to the debate is that, as well as that racial discrimination based on where someone comes from or the country someone’s parents are thought to come from, there is religion discrimination, too, which is of great concern to us all. Discrimination makes people feel inferior. What is the impact on later life? Women spend their whole lives working doubly hard to show they are good enough—triply hard if they are from the BAME community. They feel they have to do so much more than anyone else to earn their stripes. That is certainly something that I feel.

Women who have chosen to wear the hijab have experienced much discrimination, which is unacceptable. As we have heard from Members from all parties, it is a woman’s right to wear what she wants, when she wants, whatever that might be. We should always stand up for women in that respect. Racial discrimination and racial profiling do exist. I have been on international trips with fellows MPs, and it might horrify you to learn, Mr Streeter, that the only person who gets stopped at immigration is me. I get taken away for questioning, and it is embarrassing. Let us be honest about what exists. My colleagues, including one who is sitting with us in Westminster Hall, have watched it happen.

In her conference speech at the weekend, our First Minister asked: “What kind of country do we want to be?” She has asked that on many an occasion, and a Member here today asked that. We should continually ask ourselves that question: what do we want our country to look like? What kind of impression do we want people to have of us, whether that is us in the UK or from our perspective in Scotland? I hope that we want to be an outward-looking country. We in Scotland pride ourselves on that. At our conference at the weekend, we had a fantastic session where we highlighted and profiled our BAME candidates who are standing in the forthcoming council elections. That was not a sideshow or a fringe event; it was main stage, because that is where BAME people should be in public life. I hope and trust that they found it as fulfilling as I did to watch. I am sure those in the audience enjoyed their contribution, as well.

The UK Government have allowed an obsession on immigration, targets and toxic rhetoric to develop. The phrases have become all too common. Those with power have tremendous platforms, and they should use their words to impact positively on people’s lives. If they do not do that, they impact negatively. They have to talk about being an inclusive, welcoming society on all the stages and at every opportunity they have. If they fail to do so, it is the people from BAME communities who face the consequences—our children, their children, refugees and people who are fleeing conflict and war to make this country their home—not them. We are so much better than that. If we are in a society where people are questioning whether we should be taking in refugees, we have to take a good look at ourselves and wonder, “What kind of platform have we created? What kind of society have we created that people even think they can say such things?”

There is much work to do, and I hope we can work together across the House on that. I ask the Minister to implore his colleagues in Government to use every platform they have to engage positively on the importance of immigration and how people from different backgrounds contribute not only to the economy, but to tradition, culture and all the things that make Scotland great. We should continually ask ourselves, “What kind of society do we want to be?”

3.37 pm

Fabian Hamilton (Leeds North East) (Lab): I thank every Member who has contributed this afternoon, but most especially I congratulate my hon. Friend the Member for Brent Central (Dawn Butler). Sadly, this debate is more important than ever before, as we try to eliminate that which divides us and celebrate that which unites us.

I had the privilege of being born and growing up in my hon. Friend’s constituency, in Willesden Green. The first 19 years of my life were spent there. Even in the 1960s, it was one of the most multicultural parts of Great Britain. It was something that we celebrated. Growing up there in the 1960s, it was normal to see people of all backgrounds, faiths, skin colours and
religions, whether that was in my street, my school or my home, where my father operated his office as a local solicitor. It was a shock to go to the University of York in 1974, where I seemed to be the blackest person in the city.

My father’s experience in fleeing Europe in 1934 and coming to this country unable to speak English was very important in my upbringing and my understanding of what discrimination is about. He was fleeing an increasingly Nazi Europe, increasing intolerance towards Jews and increasing violence against Jews. He came to this country seeking sanctuary, which he was given. After school, he joined the British army. He had become a British citizen, and by then of course he spoke very good English. Fighting in occupied France was a lesson for him in why a united Europe was important and why racism and discrimination must be eliminated. He never spoke of that time in France, but he helped to set up the Willesden Friendship Society in the 1960s. People from all backgrounds and from all over the world came to our house in Jeymer Avenue and talked about how we could make our community much more multicultural and less discriminatory.

I am proud to now represent one of the most multicultural constituencies in Yorkshire, apart from that of my hon. Friend the Member for Bradford West (Naz Shah), of course. In north-east Leeds, we have perhaps a greater diversity, if not a greater majority of people from different backgrounds. Chapeltown is historically the place where people have come to seek refuge from other countries and from persecution to make a better life in Great Britain. They include Jews escaping the pogroms of the nineteenth century and people coming from parts of Africa to escape persecution today.

I was chair of the Leeds City Council race equality committee for six years and learned how we could adopt policies to try to bring our citizens together to share what we had in the great city of Leeds, my adopted home, and to create a better society for everybody. Chapeltown has the oldest West Indian carnival in the country. I am glad to say it is older even than that in Notting Hill, by one year. We celebrate our 50th anniversary this year. It is a coming together of people from all different backgrounds to celebrate carnival among ourselves, even if we have never visited the Caribbean.

A middle-aged woman, originally from the Philippines, came to see me shortly after the referendum campaign. She was in deep distress. This will echo a lot of the contributions made this afternoon: her distress was based on the fact that her next-door neighbour came up to her the day after the referendum, 24 June, and said, “Have you packed your bags yet?” She explained that she was British and had lived in this country for 20 years; she works as a nurse at Leeds General Infirmary. He said, “But have you packed your bags yet?” She said, “Why? I am not European.” He said, “No. We voted yesterday for all of you lot to leave the country.” That is the kind of division that we are seeing up and down our nation, from Scotland right down to Cornwall, and it is something that I know everyone in this room and in this House would agree is entirely reprehensible.

The struggle against apartheid, which many have referred to this afternoon, galvanised many of us in the ’70s when I was growing up and when I was at university and becoming politically aware—many of my friends and family were, too. South Africa and the struggle against apartheid brought many people into the Labour party and many other political parties. We could talk all political parties represented in this House today. It was the struggle against the blatant discrimination and injustice that we saw on our TV screens that galvanised many of us into political action. It was certainly my political awakening.

We have heard some excellent contributions today. I was also almost in tears listening to the contribution from my hon. Friend the Member for Brent Central. I thank her very much for that. She said enhancing other people’s rights does not diminish our rights. That should be a motto for all of us. Enhancing other people’s rights does not affect us—it makes and helps to create the better society that we are all here to try to create.

In her typically gentle way, my good friend—I hope she will not mind my calling her that—the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) made a powerful point about her visit to the refugee families in Jordan and Lebanon with the International Development Committee. I have also made such a visit: I went to Azraq in Jordan in January, as a member of the Front-Bench team. She also said something important that relates back to the holocaust: that we must learn the lessons of the holocaust, to celebrate the diversity of our society. Just last Sunday, I was with the holocaust Survivors Friendship Association, in my constituency in Leeds, meeting with men and women now in their 90s—the youngest was 88—who survived the holocaust and still live today to tell the stories and to share the experience that they suffered. That is something we must never forget.

We heard excellent contributions from, for example, my hon. Friend the Member for Bradford West, who always speaks so powerfully, on this subject and many others. We heard from the hon. Members for Glenrothes (Peter Grant), for East Renfrewshire (Kirsten Oswald) and for Glasgow North East (Anne McLaughlin). We heard an intervention from the gallant Member, the hon. Member for Beckenham (Bob Stewart). I am sorry he is not in his place. I have had many dealings with him. He is someone I admire enormously for what he has done in his military career and since he has been here in the House. He said something interesting about Syrian children. He said that not one of his constituents pleading for Syrian children to come and be looked after here by his constituents or anyone else has actually offered their home. One contribution this afternoon pointed out that people would not write to their MP to offer their home for a Syrian child or family, but I can tell you that I have received those letters. I am sure many of us have.

Mr Gary Streeter (in the Chair): So have I.

Fabian Hamilton: Many of us have had constituents saying, “I have spare bedrooms; come and use my bedroom. I am offering it to those families.”

Let me conclude so that the Minister can answer the many excellent points that have been made this afternoon. We have heard condemnation—rightly so—of Nigel Farage’s infamous “Breaking Point” poster, which was, of course, incredibly offensive to all of us, so I will not say any more about that, but I would like to ask the Minister about the lack of support for the rights of EU
nationals living in the UK after we leave the European Union. Can he can say something about whether he believes that that has contributed to an increasingly hostile environment for EU nationals still living in the UK? What are the Government going to do to ensure that a message of zero tolerance towards racially motivated crimes in general gets broadcast? I know that the Minister is committed to that, but I would like to hear more about what he is going to do.

We have heard that the Hungarian Prime Minister, Viktor Orbán, has adopted, like Donald Trump, vitriolic rhetoric towards refugees and migrants, threatening to refuse entry to any non-Christian, while also putting up barbed wire fences and using tear gas to disperse crowds of refugees and migrants. Yet Hungary is still in the European Union. I hope the EU is able to do something about that.

It is worth remembering that, in many Western societies, it is still often the case that racial and religious minorities are one and the same. We need to adopt an approach to foreign policy challenges such as the refugee crisis that is based on a fundamental rejection of religious bias as well as racial bias.

Finally, I press the Minister to set out in more detail how the Government plan to co-ordinate with the European Union after Brexit on major foreign policy issues and potentially on asylum reform. Those should be key issues in the article 50 negotiations, but to date the Government have said next to nothing about them—a concern that was highlighted last week by the Select Committee on Foreign Affairs, among others. In our society, there is no place for racism. We believe—I am sure we all believe—that there is one race: the human race.

3.47 pm

The Minister for Europe and the Americas (Sir Alan Duncan): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Brent Central (Dawn Butler) on securing the debate. I genuinely commend her for the moving way in which she presented her case and the words of her song—I have to say there was a moment when I thought she was going to sing it.

I was pleased to hear the hon. Member for Glasgow North East (Anne McLaughlin) mention the great Mary Seacole. It is right that we remember her contribution. We remember her in Government too. The Home Office building in Westminster is made up of three buildings—one is named after Robert Peel, one after Elizabeth Fry and the other after Mary Seacole—so Ministers and officials are reminded of her every day as they go about their work, much of which may well be on the issue we are debating today.

On the international day for the elimination of racial discrimination—a day on which my right hon. Friend the Prime Minister has made a very definitive statement—we also remember what happened in the township of Sharpeville in South Africa in March 1960 and those who died in what was supposed to have been a peaceful protest. We express our total solidarity with all victims of racism and reiterate our determination to challenge discrimination in whatever form it takes, at home and abroad. Combating all forms of racism remains an important part of this Government’s international human rights policy. I would like to set out some of the work that we are doing around the world.

The UN convention on the elimination of all forms of racial discrimination underpins international co-operation to prevent, combat and eradicate racism. Effective implementation of the convention is essential if we are to achieve its aims. That is why the UN General Assembly reviews that implementation through a UN resolution. As a co-sponsor of the resolution, the UK takes a leading role in the United Nations’ work to counter racism worldwide. Through the UN, we work to ensure the international community focuses on strengthening national, regional and international legal frameworks to make a reality of the protections contained in the convention. During the current Human Rights Council session in Geneva, we are working very hard to build international consensus about the importance of fighting racism and the best ways to do it.

The UN is not our only channel for that work. We are also working through other key international institutions. For instance, through the Organisation for Security and Co-operation in Europe we are supporting countries with a disaggregation of hate crimes data. It is fair to say that the UK has become a world leader in this area. Furthermore, last year we co-hosted, with Poland, an OSCE event in which we shared the lessons learned in our response to the absolutely unacceptable spike in reported hate crime following the EU referendum.

We are also supporting projects that tackle anti-Semitism. For example, we are funding the translation into Polish and Romanian of the “Police Officer’s Guide to Judaism”, that guide to Jewish religious practice is published by the Community Security Trust to help police officers to effectively and sensitively investigate anti-Semitic crimes. As part of our continued commitment to fight anti-Semitism, we remain an active member of the International Holocaust Remembrance Alliance.

The UK is also represented by our independent expert, Michael Whine, on the European Commission against Racism and Intolerance. That organisation monitors racism, xenophobia and other forms of hate crime, and prepares reports and issues recommendations to Council of Europe member states. Having the UK represented by an expert ensures that the UK’s approach to race equality issues is heard and properly understood in the Council of Europe.

The UK’s strong international reputation in the fight against racism is underpinned by our long and proud tradition as an open and tolerant nation. Although work remains to be done, we can credibly claim that Britain today is a successful multi-ethnic country. Members of our African, Caribbean, Asian and other ethnic minority communities are represented in every area of British society—in business, academia, sport, the arts and politics.

The UK also has some of the strongest equalities legislation in the world, but we know that on its own it is not enough. We have to recognise and challenge racism and discrimination whenever they occur. The Prime Minister has made clear her determination to do just that. One of her first acts in office was to launch an unprecedented audit of public services to reveal racial disparities. That audit is being conducted right across our public services, from health, education, employment, skills and criminal justice. It may reveal difficult truths, but we should not be apologetic about shining a light on any injustice. It is only by doing so that we can make this a country that works for absolutely everyone.
As has been mentioned today, the despicable rise in racist incidents after the EU referendum highlighted even more strongly the need to tackle the scourge of hate crime. That is why in July we published a new hate crime action plan that focuses on reducing incidents, increasing reporting and improving support for victims. It was accompanied by an additional £1 million for prevention work. We will review the plan next year to ensure it is delivering on its commitments. In January, my right hon. Friend the Secretary of State for Communities and Local Government announced a further £375,000 of new funding to tackle hate crime. The new package will support a range of organisations working with faith and minority communities that have historically faced challenges in reporting hate crime.

As part of the Government’s continued commitment to building strong, united communities, we have spent more than £60 million since 2010 on our integration programme to bring communities together. We have provided more than £5 million since 2010-11 to the Holocaust Memorial Day Trust as part of our ongoing commitment to holocaust remembrance and education, and just under 6,000 local commemorative events took place in January. We are also proud to fund Tell MAMA—Measuring Anti-Muslim Attacks—the first service to record anti-Muslim incidents and support the victims. So far, we have provided more than £1 million to fund it. In the coming months, the Government will bring forward plans for tackling the issues raised in Dame Louise Casey’s report into integration and opportunity in isolated and deprived communities.

Once again, I thank the hon. Member for Brent Central for initiating this debate. I and the Government believe that every individual, regardless of their racial or ethnic origin, should be able to fulfil his or her potential through the enjoyment of equal rights, equal opportunities and fair responsibilities. The Government reiterate our commitment to stand up against injustice and inequality wherever it occurs. As the Prime Minister said, it is by tackling the injustice and unfairness that drives us apart and by nurturing the responsibilities of citizenship that we can build a shared society and make it the bedrock of a stronger and fairer Britain that truly works for everyone.

3.56 pm

Dawn Butler: It has been a pleasure to serve under your stewardship, Mr Streeter. I am disappointed that the Minister has not committed to ensuring that we mark this day every year in our calendar in the UK. The Government have some programmes, but I can tell the Minister that the audit will find that the system is flawed, and Government legislation is compounding the situation for people from minority communities. The cost of tribunal fees is stopping people getting justice when they deserve it. I can also tell the Minister that most of the laws for promoting equality were passed under a Labour Government.

I thank the Minister for agreeing that we will mark this day—the Government are willing to mark it—every year. I may have missed it, but I hope he will write to me at a later date to confirm that the Government are indeed committed to marking this day as the UN international day for the elimination of racial discrimination. I thank everybody who contributed to the debate. Their excellent contributions show that there is a deep understanding of the issue and what needs to be done to work towards achieving our goal of fairness in society.

Question put and agreed to.

Resolved.

That this House has considered the UN International Day for the Elimination of Racial Discrimination.
Nuclear Decommissioning Industry: Pensions

3.58 pm

Mr Gary Streeter (in the Chair): All the protagonists are here for our next debate, so we can start a minute and a half early.

Patricia Gibson (North Ayrshire and Arran) (SNP): I beg to move,

That this House has considered pensions in the nuclear decommissioning industry.

I have been seeking to secure a debate on pensions in the nuclear decommissioning industry for some months, as I am deeply disturbed by the way workers have been treated and betrayed by the UK Government. I speak on behalf of those in my constituency of North Ayrshire and Arran who work on the Hunterston A site, but this matter is of material interest to all workers across the United Kingdom who share the sense of betrayal and treachery at the fact that their pensions have been treated as if they were of no account.

[Mr Philip Hollobone in the Chair]

The betrayal that those workers feel should come as no surprise to anyone who has followed events since the nuclear estate was privatised by the Thatcher Government in the 1980s. Guarantees were made requiring the new private sector employers to continue to provide pension benefits for those employed at the time of privatisation “at least as good as those they were receiving in the public sector”.

Those guarantees and legal protections have now been abandoned.

That situation was made starkly clear by the Nuclear Decommissioning Authority and other employers consulting on reforms to two final salary schemes, seeking the views of members on changes such as moving to a career average, revalued earnings arrangement and a cap on pensionable pay. The UK Government decided that because the Nuclear Decommissioning Authority is classified as public sector, those schemes should be reformed under the Public Service Pensions Act 2013. Clearly, however, those pensions are not public sector ones, as I shall go on to make clear.

The erosion of decommissioning workers’ pensions is unacceptable. Radical reform of those pensions has already taken place in the mid-2000s, when they were closed to new entrants, who now have inferior defined-contribution pensions. Public sector reform takes no account of the fact that decommissioning sites are now in the private sector, nor that, unlike for other public sector workers, redundancy is an inherent part of decommissioning workers’ employment.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I congratulate the hon. Lady on securing the debate. Pension rights in the event of redundancy are particularly important for workers undertaking decommissioning at Trawsfynydd power station in my constituency because of the timescale for closure and the age profile of the workforce. I hope she agrees that we need a commitment from the Minister in her response that a solution will be found for employees of Magnox Ltd and other companies affected by the Enterprise Act 2016.

Patricia Gibson: I very much concur with the hon. Lady. We are seeking a response from the Minister that will show fairness and an understanding of what such workers have already gone through and of the assurances that were made. All future action should take full account of that.

As I said, redundancy is an inherent part of the employment of decommissioning workers, since cleaning nuclear sites is time-limited. The prospect of redundancy is therefore written into the job in a way that does not apply to any other. The job of a worker at a nuclear decommissioning site is highly technical, skilled and sometimes even dangerous. The prospect of redundancy being in-built in people’s jobs is bad enough, but to have their pension eroded at what increasingly looks like regular intervals is simply unacceptable. It creates disincentives for workers to enter or stay in the industry, and it is extremely bad for morale.

The uncertainty created by that erosion of pensions affects not only the workers, of course, but their families and their financial planning for their retirement, and it shows with crystal clarity that any legal protections offered by Governments to workers mean nothing when they can be ripped up and disregarded when convenient. I raised that very matter at Treasury questions two months ago and was told by the Chief Secretary to the Treasury that “it is necessary to have terms and conditions that reflect the modern situation that applies across the economy as a whole.”—[Official Report, 17 January 2017; Vol. 619, c. 769.]

Will the Minister tell me how that response squares with the cast-iron guarantees made to workers when the nuclear estate was privatised? Were the workers told that those so-called cast-iron guarantees were actually written on water?

Dr Philippa Whitford (Central Ayrshire) (SNP): Is that not a constant theme? People take out pensions in good faith, whether state or private, to plan for something that might happen 20, 30 or 40 years later, but by the time they get there the goalposts have been moved.

Patricia Gibson: Absolutely, and I will discuss that later in my speech. There is indeed a chilling wider pattern and a broader narrative becoming increasingly apparent as each day passes.

Those workers are classed as public sector workers, but their terms and conditions are not devolved to the Scottish Parliament as they are for other public sector workers. Indeed, Scottish nuclear workers still have their severance and early retirement terms dictated by the UK Government. The goalposts are clearly being moved when it is deemed financially beneficial for the Government or the industry, while the pensions interests of the workers are a secondary consideration.

The Office for National Statistics classified Magnox as a public sector organisation, which means that the pensions of its workers are in scope of reform by the UK Government, despite the fact that they work on sites that have been privatised. The UK Government have proposed to reform IR35 tax arrangements for contractors working in the public sector or for public authorities. Draft guidance from the Government uses the definition of a public authority contained in the Freedom of Information Acts, which includes bodies specifically listed in schedules to the Acts, publicly
owned companies and any other body designated as a public authority by the Secretary of State. Interestingly, Magnox is not listed in the schedules, and that is because it is a privately and not publicly owned company. Consequently, the Freedom of Information Acts do not apply to Magnox except where stipulated in employee contracts with the NDA, and so neither do the IR35 reforms.

Nothing but confusion and concern can be caused by the use of different definitions of the public sector in different legislation and UK Government proposals. That is a matter of concern to the Nuclear Decommissioning Authority as well as to nuclear decommissioning workers. The reason it matters so much to the workers at Hunterston A and other sites throughout the United Kingdom is the adverse financial impact such definitions will have on the employees of Magnox. The goalposts must not be moved and definitions must not be manipulated by the powers that be to the financial detriment of those who work on such sites day in, day out.

I wrote to the Secretary of State for Business, Energy and Industrial Strategy on that very issue, asking for the apparent confusion to be clarified. I sent my letter on 7 February but, to date, I have had no response—presumably the Secretary of State himself is trying to work out the apparent contradiction. I hope he is able to do so soon, because the workers in Hunterston A and the rest of the industry are waiting on tenterhooks for him to dispense his wisdom about such a bewildering state of affairs.

All of that comes hard on the heels of the punitive exit payments cap, which will have a hugely detrimental impact on the pensions and redundancy payments of over-55s made redundant after years of service. As I have pointed out, those workers are caught up in the over-55s made redundant after years of service. As I have pointed out, those workers are to be exempt from the exit payments cap under the Enterprise Act 2016.

Albert Owen (Ynys Môn) (Lab): I congratulate the hon. Lady on securing the debate. She is right to talk about the double whammy faced by nuclear workers. During the passage of the said Act, reference was made to their pensions not being touched. The Government, however, broke their word, which had been given not only at the time of privatisation but last year as well. I hope that the Minister will take note of that and respond, because it is unfair to those dedicated workers and their dedicated communities.

Patricia Gibson: Absolutely. My only disagreement with the hon. Gentleman is that, taking into account the reforms to those pensions in the mid-2000s, as well as the new exit payments cap reforms, we are actually talking about a triple whammy. I very much hope that the Minister will have something to tell us about the cap.

The exit payments cap for nuclear decommissioning workers was pressed to a vote in the Commons during the passage of the Act, but the Government voted us down. I hope—perhaps blindly optimistically—that the UK Government will be willing to reconsider. Talks have led to a new Nuclear Decommissioning Authority proposal, but the trade union consensus is that more must be done to put pension provision on a par with the public sector, including improvements for new starters in the defined-contribution scheme so that their pension is protected on any outsourcing.

Clearly, despite significant pension guarantees in the 1980s, the major pension reform in the mid-2000s and the exit payments cap, workers in the nuclear decommissioning industry are in the firing line. As has been mentioned, the fact is that this is part of a broader narrative from the UK Government, who are taking action to reduce public sector pensions across the board. We saw it with the way the WASPI—Women Against State Pension Inequality—women had their feet cut from under them as they approached what they thought was their retirement age, and we now see it with this catalogue of broken promises and betrayal of nuclear decommissioning workers, as everyone who is present would acknowledge.

It is clear that this Government, despite protestations to the contrary, see a pension not as a contract but as a benefit. To be clear, a pension is a contract, not a benefit. It is paid into, and people have reasonable expectations that what they can expect at the end of their working life should be clear and that they can depend upon it. Public sector workers, the WASPI women and now workers in the nuclear decommissioning industry have discovered to their cost that that is no longer the case. Those contracts can be torn up at will—or so it would seem. Assurances apparently mean nothing. Years of service and paying in mean nothing.

If that is the case, what does it say about the relationship between the governing and the governed? What can one put faith in if not a contract with one’s Government?

These moves have to be resisted. Workers in the nuclear decommissioning industry are currently considering an offer from the Government. I do not know the details of that offer, but sadly, I am pretty sure that it will mean a further erosion—to some degree—of those workers’ pensions. That is simply not acceptable, for all the reasons that we have heard. I say to workers who are not directly affected by this measure, “Next it may well be your pension.” That is why this issue should matter to us all. Who knows what group of workers will be next in the firing line? I urge the Minister and this Government to think again.

4.12 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing this important debate and her passionate and informative speech. The Government understand the concerns of the workforce across the Nuclear Decommissioning Authority estate, including employees working at the Hunterston A power station in her constituency, about public sector pension reform. It is good to see my hon. Friend the Member for Copeland (Trudy Harrison) in her place, representing the interests of her constituents who work at Sellafield.

We recognise the vital decommissioning work that the NDA and the wider workforce across the estate deliver, while prioritising safe and secure operations in a difficult environment, and we remain firmly committed
to supporting the nuclear decommissioning programme. The NDA was allocated £11 billion of taxpayer funding for the 2015 spending review period. However, in line with the challenges that the UK faces to balance the deficit, the NDA was set a proportionate programme of efficiencies and savings for that period of around £1 billion, and it was agreed in the spending review that some of those savings would come from reform of the two defined-benefit final salary pension schemes in the NDA estate.

Approximately 10,800 employees are members of those final salary pension schemes, which, as the hon. Member for North Ayrshire and Arran mentioned, closed in the 2000s. The aim of the NDA consultation is to reform those schemes into career average revalued earnings schemes, in the spirit of the recommendations made by Lord Hutton in his 2011 review of pension. Since 2006, new starters have been offered membership of a high-quality defined-contribution pension scheme, which is out of scope for reform.

The Government acknowledge that CARE reform would require amendments to statutory pension protections that were put in place at the time of the privatisation of the electricity sector in the 1980s and by the Energy Act 2004, when the NDA was established. Those protections sought to provide pension benefits for existing scheme members that were at least as good as those they received prior to those reforms. That is why the Government have worked with the NDA to consider how best to implement pension reform.

As a first step, the NDA held discussions with the trade unions about the potential for non-legislative options as an alternative to CARE to realise the required savings. As a result of those discussions, the NDA launched a consultation document on 9 February setting out details of two options—the CARE option and a non-legislative pensionable pay cap option. The consultation was due to end on 10 March.1

During those discussions, several concerns were raised, which the Government and the NDA actively listened to and sought to address. Following a meeting in February between the NDA, national trade union representatives and the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), who has responsibility for energy, the NDA and trade unions reached agreement to table a third option for consultation with the workforce that better reflected the circumstances they face—a revised CARE pension reform proposal.

That option was announced by the NDA and the trade unions in a joint statement on 2 March. The consultation period has therefore been extended until 21 April to allow the NDA workforce to consider that new option. The trade unions have committed to hold consultative ballots on the proposal, described as the best achievable through negotiation, and support implementation if their members accept the proposal. Those ballots are due to take place in April and conclude by early May.

Albert Owen: The Minister is making an important point. I, too, welcome the progress that has been made on the pension, but will she deal with the exit payments cap? No discussions were held about that. An exemption was given to the Royal Bank of Scotland, to give one example. She is a reasonable person. Nuclear workers have been caught up in this. Will she agree to look into this serious issue and come up with a reasonable response?

Margot James: I thank the hon. Gentleman for raising that important point, which was also raised by the hon. Members for North Ayrshire and Arran and for Dwyfor Meirionnydd (Liz Saville Roberts). My Department and the NDA will continue to meet trade union representatives regarding the cap on exit payments. My hon. Friend the Energy Minister is listening to the important concerns of workers in the NDA estate about that cap and is in discussion with the Treasury.

Patricia Gibson: I wonder whether I may hurry the Minister along and raise the question of the apparent confusion in legislation about whether these workers are public sector workers or private sector workers. Why do the goalposts apparently change when it is convenient that they should—but not to the workers’ advantage?

Margot James: I understand that point, which the hon. Lady also made in her speech and which I took note of. I gather that she wrote to the Secretary of State about that very point in early February and is still awaiting a reply. A reply will be forthcoming. I am very sorry that I am not able to be definitive today, but I can assure her that Ministers in my Department take her point and the point made by the hon. Member for Ynys Môn very seriously indeed. We are listening to the concerns of the workforce she represents, and, as I said, my hon. Friend the Energy Minister is in discussion with the Treasury to try to clarify the point, so that the workforce know where they stand. I absolutely sympathise with a workforce who do not know where they stand—it is an unsatisfactory situation, but I assure her that it is one that is approaching a remedy.

We recognise that nuclear decommissioning is a closure industry and many workers have devoted careers to the industry knowing that their sites may close before they retire. We are actively exploring the potential impact of the cap on workforces at sites that are being actively decommissioned and are on the path to closure, such as Hunterston A in the hon. Lady’s constituency. I will pass all hon. Members’ comments on to my hon. Friend the Energy Minister.

Once the consultation period on the pension issue has finished, the NDA will take account of the consultation responses and make proposals for Ministers to consider after that. The Government will not take a final decision before the consultation has concluded. However, we believe that the revised CARE proposal offers a fair and sustainable solution.

As the debate draws to a close—the hon. Lady will have a further say—

Mr Philip Hollobone (in the Chair): Order. I am afraid that the hon. Member for North Ayrshire and Arran (Patricia Gibson) does not have a further say as this is a half-hour debate. The Minister has 10 minutes left, so there is plenty of opportunity for Members to intervene if they wish to do so, but the debate must finish no later than 4.30 pm.

Margot James: Thank you, Mr Hollobone. I am sorry, I thought the proposer of the motion had two minutes at the end. The hon. Lady may take advantage

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Margot James: of your offer of further interventions; I would be delighted to give way. While I am on my feet, however, I will continue.

I reiterate that the Government recognise the concerns that the hon. Lady and other hon. Members have raised about the workforce across the NDA estate and pension reform. I emphasise that the aim of pension reform is to balance the legitimate concerns of taxpayers about the present and future costs of pension commitments with the workforce’s concern about maintaining decent levels of retirement income, to which they have contributed and which they have earned. It is right that we debate that important issue and I thank all Members for their views.

Albert Owen: I heard what the Minister said and appreciate that she will take this issue back to the appropriate Minister. Will she or the Energy Minister agree to meet a delegation of cross-party representatives from the nuclear workers’ areas? She will know about early-day motion 915, to which there are 120-plus signatories. This is an issue across the country. Can we meet to have further discussions? This debate is helpful, but we need further discussions.

Margot James: I will certainly pass on the hon. Gentleman’s kind invitation to meet to my hon. Friend the Energy Minister. He is gainfully employed at the moment, meeting the Treasury, with the interests of the NDA workforce very much near his heart. I am sure that he will consider the invitation proffered.

Dr Philippa Whitford: We had a debate regarding Hewlett-Packard’s takeover of Digital Equipment’s workforce. At that time, the Minister responding said that nothing could be done because it was a purely private company. However, in this instance, as my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) said, the goaldposts have been moved in the definition of public and private and back again, so the Government can do something for these workers.

Margot James: The hon. Lady makes a good point about the difference in the nature of the public-private definition. The industry has had £1.5 billion of Government and taxpayers’ support, so it sits where it sits. My officials will reflect on the views that all Members have given today, as we consider further the options for NDA pension reform. The Government will set out the next steps following the NDA consultation on pension reform.

Question put and agreed to.

Mr Philip Hollobone (in the Chair): Order. At this point I would have gone on to the next debate, but the rules of engagement are that the Minister has to be present as well as the proposer of the motion. I intend to start the debate as soon as the Minister walks into the Chamber. The sitting is suspended until that point.

4.24 pm
Sitting suspended.

Stoke-on-Trent City of Culture 2021

Ruth Smeeth (Stoke-on-Trent North) (Lab): I beg to move,

That this House has considered Stoke on Trent City of Culture 2021.

It is a great pleasure to serve under your chairmanship, Mr Hollobone, and it is an honour to have this opportunity to discuss the extraordinary heritage and culture of my great city of Stoke-on-Trent: the centre of our country, the centre of my universe, and the centre of a cultural renaissance that is breathing new life into an industrial heartland that has been overlooked by too many for too long. An oft-forgotten jewel nestled between the larger, gaudier baubles of Birmingham and Manchester, Stoke-on-Trent is a friendly, welcoming city with a rich heritage and an attitude and outlook all of its own. With its upcoming bid for city of culture 2021, Stoke-on-Trent is finally stepping out of the long shadow of its neighbours and showing the world what it is capable of. We are a hidden gem that will be hidden no more.

Our city was one of the launch pads of the industrial revolution and, from the opening of Josiah Wedgwood’s factory in Etruria in 1769 to the present day, the Potteries has quite literally made its name as the birthplace of the modern ceramics industry. Wherever we may be, whether in the furthest corners of the world, in the Minister’s Department, or even in our Tea Room, we are likely to find ourselves dining from tableware made in Stoke-on-Trent—made, in fact, in my constituency.

I was privileged to be present at the maiden speech by my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) only last week, during which he told the House about the turnover club—those loyal ceramic enthusiasts who flip their plate, wherever they might be, to discover its origins. As a proud member of that club, I can tell hon. Members that our excitement upon discovering that all-important back stamp is entirely understandable, because the undeniable truth is that Stoke-on-Trent produces the finest ceramics in the world; we always have and we always will.

Ceramics is not just our history, it is our heritage. It continues to shape our culture and drive our economy in the most creative and innovative ways. Nowhere is that better demonstrated than in Middleport, in the heart of my constituency. The original home of the iconic Burleigh Ware pottery, opened in 1888, the factory has been fully restored thanks to the dedicated work of the Prince’s Regeneration Trust and now stands as a tribute to our industrial past and a driving force for our economic future. Today, it is best known as the location of the BBC’s “Great Pottery Throw Down”; a fabulous showcase for Stoke-on-Trent and the ceramics industry, it is now in its second season, and I am delighted to announce that it is about to be commissioned for a third.

It is wonderful that our city’s extraordinary heritage is being recognised in shows such as that, but let us be clear: as proud as we are of our ceramics industry, there is so much more to us than that. As well as being a fully operational pot bank, Middleport serves as a gallery and exhibition space for local artists, as a community hub and as a development centre for a host of bespoke...
ceramic and design businesses. From the Clarice Cliff-inspired works of Emma Bailey to the textural experiments of Libby Ward and the photography of Richard Howle—whose Potteries-themed railway posters I have proudly displayed in my living room—Middleport is an incubator for the talent and creativity of Stoke-on-Trent. Elsewhere, we are home to Staffordshire University, a respected higher education institute with an admirable record in art and design.

Chris Elmore (Ogmore) (Lab/Co-op): Thank you for allowing me to speak, Mr Hollobone. My hon. Friend will be aware that there are multiple bids to be the city of culture, including some from Wales. On my two recent visits to her great city of Stoke-on-Trent, I was particularly impressed by the city’s commitment to education—specifically around the infrastructure and investment in both the further and higher education sectors. Does she agree that that reinforces the strength of Stoke-on-Trent’s bid to become the city of culture?

Ruth Smeeth: Of course there are other bids, but none so great as that from Stoke-on-Trent; no one will match my constituency. However, I agree that education is at the forefront of our bid, which is to ensure that not only my own constituents, but the entire country are educated about how much Stoke-on-Trent has to offer. We will lead that role from Staffordshire University.

My city is the birthplace of Reginald Mitchell, the inventor of the Spitfire, and Arnold Bennett, the great literary icon of the Potteries. Captain Smith of the Titanic was also born in Stoke-on-Trent, and while his ship’s maiden voyage may not have gone quite according to plan, its name lives on in the form of the award-winning Titanic Brewery. Its plum porter is particularly good; I am not just saying that because they occasionally let me brew it—they also let me taste it.

Our musical heritage is also long and varied. Connoisseurs of northern soul made pilgrimage to the Golden Torch in Tunstall in the early ‘70s, while Shelley’s Astrodome was a national hotspot for the acid house scene in the ‘80s and ‘90s, helping to launch the careers of DJs such as Sasha. Stoke-on-Trent can also lay claim to two rock and roll legends: Slash from Guns N’ Roses was born in Burslem—the mother town of the Potteries—before moving to LA, while Lemmy from Motörhead also hailed from the area. A bronze bust of the bourbon-swilling frontman can be found in our wonderful Potteries Museum and Art Gallery in Hanley.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): That’s in my constituency.

Ruth Smeeth: Yes it is—never mind. Our most well-known son in recent years is, of course, Robbie Williams—my former constituent—whose song-writing team continued to ply their trade from Burslem for many years. His mother is well-known for her charitable ventures in the area, supporting schemes such as the incredible Ruff and Ruby project, which supports some of our most vulnerable young people.

This year marks the fourth anniversary of the Stoke-on-Trent literary festival, which will be hosted at the Emma Bridgewater factory in the heart of Stoke-on-Trent, which is also not in my constituency. Our former colleague and “Strictly Come Dancing” star Ed Balls will be attending this year. Ours is a city fizzing with energy and creativity. Every week I meet someone who is breaking new ground and creating something extraordinary.

Jeremy Lefroy (Stafford) (Con): I am most grateful to the hon. Lady for securing the debate. As the Member for Stafford, I support Stoke-on-Trent’s bid to become the city of culture; what is good for Stoke-on-Trent is good for Stafford and the whole of Staffordshire. Does she agree that Stoke-on-Trent is at the centre of a region—Staffordshire—that has many literary figures? Not only was there Samuel Johnson from Lichfield, but there was Izaak Walton, from Stafford; the current poet laureate, Carol Ann Duffy, who went to school in Stafford; Richard Sheridan, the former MP for Stafford; and, indeed, J.R.R. Tolkien, who lived in two places in my constituency. There is a variety of literary talent centred on Stoke-on-Trent to draw from for the city of culture.

Ruth Smeeth: I thank the hon. Gentleman for both his intervention and his support for this important bid. I could not agree more. We are blessed with the number of cultural icons across our great county, and I look forward to being able to celebrate them with both the country and the world should we be successful in our bid to be city of culture 2021.

More and more young people are finding the opportunity to harness and shape their creativity, just as their ancestors shaped the clay beneath them. However, one of the great frustrations for me and many others is that that is not the image of Stoke-on-Trent that so many people have, and that it is all too often not the way our great city is portrayed by the national media. Those who watched reports of the recent by-election in Stoke-on-Trent may have been left with the impression of a city in decline. Journalists posed by abandoned shop fronts or derelict bottle kilns, talking down our city and, disgracefully, its people. They did not bother to mention that the abandoned shopping centre they stood in front of is scheduled for demolition, or that it is just yards away from a growing city centre and a thriving cultural centre. If Michael Crick had thrown a stone from the Labour party’s campaign office, he would have had a better than average chance of hitting one of our great theatres.

Given the coverage, is it any wonder that, when people come to Stoke-on-Trent, they always express their surprise at how green a city we are? We have beautiful, award-winning Victorian parks in Burslem, Tunstall and Hanley—and apparently some in the south of the city, too. We have magnificent lakes and gardens, and we have more miles of canals than any city in England. Stoke-on-Trent has its problems. We accept that, and we are working hard to remedy them, but nothing will be fixed by talking down the city or ignoring the progress it has made. In fact, it is precisely our heritage and our culture that hold the key to fixing some of those problems, regenerating our city and inspiring the next generation.

Karl Turner (Kingston upon Hull East) (Lab): As one of three Members who represent the current city of culture, I congratulate my hon. Friend on securing the debate and wish her and her city well. That is something to say about legacy. In our few short months as the city of culture, we have already seen that things are changing; there is a spring in the air, people are
happy and money is being spent. Investment is coming into the city, which is very important for the legacy. I wish my hon. Friend well. Friend well.

Ruth Smeeth: I thank my hon. Friend for his intervention. I look forward to visiting Hull this year to experience his city of culture. I think that is the key point: even at this stage, we have to commit to ensuring that the bidding process leaves a legacy, not just that we manage to secure the award. Hull is an inspiration now and I hope it will also be an inspiration at the end of the year.

Returning to my great city, I will this week be visiting the wonderful Portland Inn Project, which is working to turn a disused public house into a thriving community centre. Such projects do not just regenerate a building—they create the space for communities to come together. It is about improving our physical space, but it is also about creating something more meaningful. Culture is not just about what we do; it is about who we are. At the heart of our city’s ceramic history is not just the objects we produced; a whole community was shaped by shared struggle and fired by shared injustice—a fact highlighted as we commemorate the 175th anniversary of the pottery riots later this year. Those events shaped our industrial and cultural landscape, placing the labour movement at the heart of our community and our culture, and they continue to do so today.

Throughout our history, people have been brought together by pride in their work and the heritage of the city they built together—a city that has so much to offer today. The city of culture bid is an opportunity for people to see the other side of Stoke-on-Trent, and it is already happening. Just a couple of weeks ago, the 150th anniversary of Arnold Bennett’s birth in Hanley, in my constituency. His tales of Turnhill, Bursley, Hanbridge, Knype and Longshaw provide a witty and pithy account of life in the Pottery town at the turn of the last century. Whether in stories about Anna of the five towns or the Clayhanger family, he illuminated the real-life problems facing society at the end of the Victorian era through his application of what we would now call the creative industries.

While the wealth of Stoke-on-Trent and Staffordshire was derived from our heavy manufacturing, ceramics and mining, Arnold Bennett also knew the value of arts and culture. He once said:

“Am I to sit still and see other fellows pocketing two guineas apiece for stories which I can do better myself?...If anyone imagines my sole aim is art for art’s sake, they are cruelly deceived.”

That is potentially the benefit that my city can derive from its bid to be the city of culture in 2021. It is not just a financial but a social benefit. We understand the added benefits that can be derived when we go above art for art’s sake, and how it can help to heal some of society’s greatest wounds.

The Potteries is rich in culture. I cannot hope, in the time available to me, to do it justice, but I will do my best. For theatre lovers, we have some of the finest boards that have ever been tread—the Regent, the Victoria Hall, the Mitchell Memorial Theatre and the New Vic, which is a purpose-built theatre in the round. Each not only provides a brilliant night out but works with young people, older people and those who feel left behind to use culture and creativity as a conduit for tackling problems in their communities. Those who wish to eat and drink will find some of the finest breweries and restaurants in the west midlands. For those who wish to continue their festivities, an array of clubs and night-time venues will provide many a happy—if blurry—memory.

Our cultural contributions run deep. My hon. Friend the Member for Stoke-on-Trent North mentioned the distinguished careers of music legends Slash, Lemmy and Robbie Williams, but I am afraid to say that she neglected to mention that of Jackie Trent, who is well known as the composer of the theme tune to “Neighbours” and can trace her roots to the Potteries.

Several hon. Members rose—

Mr Philip Hollobone (in the Chair): The debate can last until 5.30 pm. Two hon. Gentlemen are seeking to catch my eye. While I wouldnormally call the most experienced Member first, I will call Gareth Snell first because he is a recent by-election victor. I am sure Mr Fielo will not mind.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Thank you very much, Mr Hollobone. It is a pleasure to serve under your chairmanship in this debate, as we seek to showcase the very best parts of the city that my hon. Friends and I represent. You will have already seen, though, that parochialism among the three constituencies is very much alive and well.

I congratulate my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) on securing this debate. She mentioned, albeit briefly, one of Stoke’s historic sons, Arnold Bennett. This year marks the 150th anniversary of Arnold Bennett’s birth in Hanley, in my constituency. His tales of Turnhill, Bursley, Hanbridge, Knype and Longshaw provide a witty and pithy account of life in the Potteries at the turn of the last century. Whether in stories about Anna of the five towns or the Clayhanger family, he illuminated the real-life problems facing society at the end of the Victorian era through his application of what we would now call the creative industries.

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Robert Fielo (Stoke-on-Trent South) (Lab): I cannot allow this opportunity to pass by without mentioning Gertie Gitana.

Gareth Snell: My hon. Friend, as always, shows his experience in matters that are above me. Given that my hon. Friends the Members for Stoke-on-Trent North and for Stoke-on-Trent South (Robert Fielo) are present, and that my other neighbour, the right hon. Member for Stoke-on-Trent South (Ruth Smeeth) on securing this debate. She mentioned, albeit briefly, one of Stoke’s historic sons, Arnold Bennett. This year marks the 150th anniversary of Arnold Bennett’s birth in Hanley, in my constituency. His tales of Turnhill, Bursley, Hanbridge, Knype and Longshaw provide a witty and pithy account of life in the Potteries at the turn of the last century. Whether in stories about Anna of the five towns or the Clayhanger family, he illuminated the real-life problems facing society at the end of the Victorian era through his application of what we would now call the creative industries.

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for Staffordshire Moorlands (Karen Bradley), is the Culture Secretary, it would be remiss of me not to point out that everybody needs good neighbours, and that with a little understanding, you can find the perfect blend.

Stoke-on-Trent’s historic contributions to cultural advancements are not limited to music, food, theatre and ceramics. We have a rich scientific heritage too. Sir Oliver Lodge, born in 1851 in Penkhill, was a physicist and inventor who identified electromagnetic radiation independent of the work being carried out by his contemporary, Hertz. His work gave the world the spark plug. The fact that that is not better known is shocking. Thomas Twyford, born in Hanley in 1849, may have bequeathed to our society one of the greatest cultural advances ever: the single-piece ceramic flush toilet. In doing so, he performed a public duty for public sanitation.

Our city’s industrial heritage is well preserved at the Etruria Industrial Museum. The Potteries Museum and Art Gallery, which my hon. Friend the Member for Stoke-on-Trent North mentioned, is also home to part of the Staffordshire hoard. The Wedgwood Museum in Barlaston has kept a real and tangible link with the historic family, who made their name in Stoke-on-Trent. The Gladstone Pottery Museum in Stoke-on-Trent South ensures that skills from our past are being passed on to our children for their future.

Jeremy Lefroy: The hon. Gentleman mentioned the name Wedgwood. He may also know that one of the Wedgwood family, Emma Wedgwood, married Charles Darwin, who has an extremely strong connection with our area. I do not think one needs to say more about Charles Darwin, but I am sure that if Stoke-on-Trent were to be city of culture, we would celebrate that connection.

Gareth Snell: Absolutely. The Wedgwood family are still very much active in civil society in Stoke-on-Trent today, in a number of ways, and I am sure they will lend their support to our bid.

In recent years we have seen Appetite Stoke run public art exhibitions to demonstrate that culture is part of Stoke-on-Trent’s everyday existence and not simply something that happens at weekends. It has been successful in bringing forward plans for young people to be more actively involved in how Stoke-on-Trent celebrates its heritage and past, and it encapsulates what we can do going forward.

Thinking of the past, it would be remiss of me not to mention that Philip Astley was born in 1742 in neighbouring Newcastle-under-Lyme and spent most of his formative years in the Potteries. He, of course, is known as the father of the modern circus. Stoke-on-Trent has another famous adopted son in the form of Neil Baldwin—or Nello the Clown, as he is known to us—who was Stoke City’s kit man but has also been a great advocate for the circus industry; he still performs, even though he is in his early 70s.

I cannot participate in this debate without mentioning Staffordshire University. It is one of the finest universities that can be found—a modern university that has taken all that modernity gives and made the most of it. It has a thriving ceramic art department. It has a world-renowned gaming department that is now at the forefront of developing digital technologies. Its performing arts are well received, and it is difficult to get tickets to some of its events, although I figure I might have a slightly better chance now. The university is also at the cutting edge of scientific advancement, which participates heavily in the cultural identity of Stoke-on-Trent.

Finally, it would be wrong not to mention professional football, which is a great part of our city’s cultural identity. Stoke City is one of the oldest professional football clubs in the world. It has been at the forefront of community work across Stoke-on-Trent, and its current chairman, Peter Coates, does much to help and support the city.

Ruth Smeeth: I could not agree more about the role of sport in terms of my city’s culture—or our city; I might share it. As wonderful as Stoke City is, does my hon. Friend agree that the only true football club is Port Vale, in the north of the city, which happens to have the Wembley of the north as its stadium?

Gareth Snell: I most certainly do not agree. There is but one team in Stoke, and that is Stoke City. My hon. Friend should look at the name, although I appreciate that she has her own loyalties.

Jeremy Lefroy: Perhaps I can cool things down a bit. To be serious, is it not true that Stoke City is a fine example of a local family—local investors—putting money into their local club and taking a long-term view? Would that most other premiership teams followed that model.

Gareth Snell: The hon. Gentleman is absolutely correct. This is not even about the football club. Peter Coates and Stoke City have demonstrated that there is a role in communities for professional football clubs that wish to make an investment with their fans. It is not simply about providing a game mid-week or at weekends. There are multiple examples across Stoke-on-Trent of families, young people and schools benefiting as a direct result of the commitment that the Coates family and Stoke City have shown to Stoke-on-Trent. Without them, our city would be all the poorer.

Stoke-on-Trent is a city where people can eat and drink, laugh, dance and sing, learn, love and live. We are artists, educators, innovators, engineers, potters, miners, toilers and industrialists. Ours is a city of culture born out of labour, and a city that has contributed so much to so many. It is a privilege to support the motion this afternoon.

Mr Philip Hollobone (in the Chair): I will need to start calling the Front-Bench speakers no later than seven minutes past 5.

4.51 pm

Robert Felloo (Stoke-on-Trent South) (Lab): It is, as ever, a delight to see you in the Chair, Mr Hollobone. I am pleased to have the opportunity to contribute to this debate—although my colleagues have stolen most of my lines—because for me, no city is more suitable than Stoke-on-Trent to be the UK city of culture 2021.

I am proud to call Stoke-on-Trent my home and to serve as one of the three ambassadors from within the city—there are also ambassadors more widely—here in Westminster. I congratulate my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) on securing this debate on our behalf.
Robert Flello: As has been mentioned, during January and February this year we saw Stoke-on-Trent subjected to an unprecedented level of media and public attention as a result of the by-election. We should have seen a showcase for the progress that has been made. Let me pause here and just note that much of that progress started under previous, Labour-run councils over the past decade. The by-election should have been a showcase for the progress in our city by the high-tech industries that have sprung up and for the incredible work ethic, industriousness and, above all, creativity of the people of Stoke-on-Trent. Sadly, tragically, what we saw was anything but.

My colleagues and I have spoken time and again of our disappointment with the way that Stoke-on-Trent was portrayed by the media, who were more interested in a good story than a true one. We saw images of disused bottle kilns, crumbling derelict buildings and expanses of disused land. The latter two are the sort of thing that any city possesses, and the reason for the former, in many cases, is that the kilns are protected as a symbol of our city’s rich heritage. In Stoke-on-Trent, those images in particular were used to feed into the UK Independence party’s narrative of a city on its knees—a false narrative.

Vernon Coaker (Gedling) (Lab): Is not the real message from the by-election a tribute to the people of Stoke, the vast majority of whom voted for parties other than UKIP?

Robert Flello: Absolutely. I am grateful to my hon. Friend, because his point leads nicely to the next paragraph of my speech.

We saw off UKIP last month because of a fantastic campaign, the excellent candidate we had and that positive message, as my hon. Friend has just noted, but also, I think, and as he also said, because the people of Stoke-on-Trent know deep down that our city is better than we were told we were. They are proud of where they live, and if people had taken the opportunity to visit our city producing, quite frankly, Mr Hollobone, the sort of brew that would make you not want to set foot out of Stoke-on-Trent and travel down to London—they are that good.

We have wonderful parks and fabulous green spaces. In my own area, we have Longton’s Queen’s Park, and Fenton boasts both Fenton Park and Smithpool. There is also a huge array of residents’ associations doing sterling work on behalf of the communities that they represent. There are the fabulous waters in and around the city, which are looked after by groups of volunteers who give their time freely and happily to cherish the areas that we have.

As has been mentioned, Stoke-on-Trent has the fantastic premier club Stoke City and the wonderful bet365 stadium. We do tease our hon. Friend the Member for Stoke-on-Trent North about Port Vale. I remember that when I first spoke to someone in Stoke-on-Trent about football—which seems like many hundreds of years ago—they said to me, “Of course, there are two teams in Stoke-on-Trent: Stoke City A and Stoke City B.” But we will move quickly on from that.

Ruth Smeeth: As wonderful as Stoke City are, and they do wear the right colour strip, it is fair to say that Port Vale have done so much for our city, not least in bringing back one of our cultural icons, Robbie Williams, at every opportunity, and therefore they will be a core part of our bid, not least by building on our city of sport status, which we had such great success with last year.

Robert Flello: I thank my hon. Friend. There is nothing I can add to what she has said, but I will just say that I am a trustee of the community fund of Stoke City and never cease to be impressed by the outreach work done by the club. I, too, pay tribute to the Coates family and the investment that they have made in our city.

What I have not mentioned but cannot be ignored is the ceramics industry. Stoke-on-Trent is much more than ceramics, but the area is still known as the Potteries for a very good reason. Yes, the industry was decimated, but it is on the up. Gone are the days of the skyline dominated by bottle kilns, but now the industry is at the cutting edge of technology, supplying a mind-boggling array of sectors as well as supplying more traditional products. The work done by small independent potters, such as one of my favourites, Anita Harris Art Pottery, is of the highest quality, and similar-quality producers seem to be springing up all the time. It is amazing. Mr Hollobone, that you can go and speak to someone and in their back kitchen they will have a kiln, where they will be producing work of the finest quality.

Middleport Pottery has become the face of “The Great Pottery Throw Down”, but the mighty Wedgwood, perhaps the biggest name of all, still has its factory in my constituency. It has recently undergone major renovations to improve its facilities and expand its
Staffordshire and across the Members of Parliament as got genuine cross-party consideration locally across irrespective of political hue, backs this bid, which has get to this point—that every local authority in Staff ordshire ,

Jeremy Lefroy: Does the hon. Gentleman agree that this is not just about the history, vital though that is? Even today, the ceramics industry is a net contributor to our trade balance: we export far more than we import. As the hon. Member for Stoke-on-Trent Central (Gareth Snell) said previously, the products can be found all over the world, even in the European Parliament and the World Bank.

Robert Fello: Indeed, and long may that continue, and long may I continue to be a member of the pot turners club as well. I say this just as an aside: we need to ensure that that industry gets the best possible deal out of Brexit.

The fact that the campaign to save the Wedgwood collection was the fastest fundraising campaign in the 111-year history of the Art Fund tells us everything we need to know about its importance. Josiah Wedgwood was the pioneer of so much that has shaped modern Britain, from marketing to distribution and the division of labour. He was one of the fathers of the industrial revolution, not to mention a prominent abolitionist, and is yet another reason to be proud of our city.

It should not simply be the volume that decides which city is successful in its bid to be capital of culture, as the guidance for the bid acknowledges; it should be the quality and diversity of the offer. If it was about sheer volume, London would be capital every time. However, if we want to see a wide range of projects covering a multitude of different categories, engaging all ages and ethnic groups and being truly and properly inclusive, there is nowhere better than Stoke-on-Trent. We have a truly ambitious and wide-ranging series of projects that will absolutely do justice to the honour of the title.

I believe that Stoke-on-Trent City Council was right to bid for city of culture 2021. If I may delicately suggest, those in power now may have been a little slow to back the previous Labour Administration’s plans for the city, but I am delighted to provide my support now and to give the bid truly cross-party support. When it comes to improving our city, there is no place for party politics.

Gareth Snell: My hon. Friend is making an excellent speech. It is worth noting—I am sure he was going to get to this point—that every local authority in Staffordshire, irrespective of political hue, backs this bid, which has got genuine cross-party consideration locally across Staffordshire and across the Members of Parliament as well.

Robert Fello: I am grateful to my hon. Friend for making that point. It is important that the bid has that backing from across parties and across Staffordshire. City of culture status for Stoke-on-Trent has the potential to inspire, to build pride in our city, and to showcase our true face, not the impression that has been built up through decades of cheap shots and uninformed criticism.

Anna Turley (Redcar) (Lab/Co-op): I want to intervene on my hon. Friend before he finishes, because I have been waiting throughout all the speeches for some mention of one of the greatest things I discovered on my recent trip to Stoke: the Staffordshire oatcake. After an evening in one of the lovely pubs that have been mentioned, there is nothing greater than having a cheese and bacon oatcake to finish the evening.

Robert Fello: Absolutely—I have a feeling that my hon. Friend will be receiving a packet of oatcakes before too long.

I can absolutely guarantee that no other city that has bid for city of culture 2021 will embrace it like Stoke-on-Trent will. Residents of our great city have always embraced the opportunity to highlight all that makes Stoke-on-Trent a fantastic place to live and, as many of my colleagues will testify, anyone who has ever visited will say that there are no friendlier people anyone could possibly meet. They are warm, they are generous, they are proud and they deserve the opportunity that city of culture status can bring. Liverpool, Derry/Londonderry and now Hull have enhanced the title of city of culture and been enhanced by it, and we will do the same.

To finish, I want to mention my, sadly now deceased, mother-in-law June Clarke. She was a paintress, like so many others, at Spode. She was walking past a shop a couple of years ago and stopped and said, “I painted that,” as she pointed through the window. Of course, as might be imagined, her comment was met with a little hilarity at the time, because she was pointing at a plate high up on a shelf in the shop. She described that, on the back of the plate, there would be a unique mark—her mark—that she had put on it many decades earlier. After going into the shop, lifting the plate down from that high shelf and turning it over, we saw that there was indeed her mark on the back. The level of skill involved meant that she could still recognise her own brushwork on that plate, which she had painted more than 40 years before. In many ways, that for me is the culture of Stoke-on-Trent: huge quality with a humble modesty—cultural excellence then, and cultural excellence now.

Stoke-on-Trent city of culture 2021 will be a perfect marriage of the historical excellence of our city and 21st-century creative genius. I am backing my city.

Mr Philip Hollobone (in the Chair): I know that both Opposition spokesmen are going to exemplify quality and humble modesty as well. The guideline limit for Opposition speeches in a one-hour debate is five minutes. I call John Nicolson.

5.4 pm

John Nicolson (East Dunbartonshire) (SNP): Thank you very much indeed, Mr Hollobone. I congratulate the hon. Member for Stoke-on-Trent North (Ruth Smeeth) on securing this debate.

The role that the city of culture competition can play in re-energising and regenerating a city should never be underestimated. Back in 1990, Glasgow became the first UK city to be named European capital of culture, and it relaunched our city to an international audience. Glasgow is now known for its creativity and dynamism throughout Scotland, Europe and the world.
It was after the success of Liverpool's year as European capital of culture 2008 that the UK city of culture competition was established. In a short period, it has captured the imagination of cities throughout the UK, with 14 applying for the inaugural award. Hull fought off competition from 10 other candidates to be named UK capital of culture 2017. Stoke-on-Trent also faces stiff competition, not least from both Paisley and Perth north of the border, but today's debate has illustrated just how strong a bid Stoke's will be.

Last September, I was delighted to visit Stoke-on-Trent with the Select Committee on Culture, Media and Sport, as part of our inquiry into “Countries of Culture”. While there, we were given a fascinating tour of the Potteries Museum and Art Gallery. My personal highlights were the national ceramics collection, which included famous frog cups and dinner plates made for Catherine the Great, and the extraordinary 7th-century Anglo-Saxon Staffordshire hoard. Other attractions included the Spitfire that we have heard about. During a roundtable discussion with local representatives from the arts and heritage sector, it was clear that Stoke has so much to offer.

Yet despite that, and as we have heard, Stoke is often characterised as a rundown, post-industrial city. During the recent by-election, it was referred to as the “capital of Brexit”—an image that conjures up angry provincialism. Stoke does not deserve such a moniker. My image of Stoke is very different. Its cultural offerings are not limited to museums and fine old buildings. It has a track record of delivering world-class art events through the Appetite arts programme. Since 2013, it has brought vibrant and varied events to the city, from large outdoor circus spectacles in parks to intimate folk gigs in bus stations.

It is clear that Stoke-on-Trent might have had all the qualities to be named the UK city of culture 2021 were it not for two words: Perth and Dundee. My hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) and for Perth and North Perthshire (Pete Wishart) would not forgive me if I endorsed Stoke-on-Trent's bid, so alas I cannot—Paisley and Perth are two other able contenders in the competition. After Derry/Londonderry in 2013 and Hull this year, it is surely only fair that the UK capital of culture now comes to Scotland, since we are still in the UK, at least in the short term.

As the Prime Minister embarks on her tour of the nations in an attempt to turn us all into born-again Brexiteers ahead of triggering article 50 and as the love-bombing of Scotland begins ahead of our next referendum on independence, maybe those who wish to show just how much the UK cares about Scotland can show some appreciation for Paisley or Perth and name one of them the city of culture as a farewell present.

Ruth Smeth: While the hon. Gentleman spoke a great deal of sense about our great city—

John Nicolson: I always do.

Ruth Smeth: For that I am very grateful, but does he agree that being part of the Union means celebrating everything that makes up the Union? Surely he would not want to be bribed to stay in the Union in order to get this. In fact, if he wants the city of culture 2021, he should stop campaigning to leave the Union.
We are certainly still experiencing tough, if not tougher, economic times, and the Government have been too slow to recognise the role of arts and culture in economic regeneration, so I am pleased to see that the UK city of culture programme continues to thrive and to demonstrate that creativity and culture are central to the economic and social successes of our communities.

At the heart of the UK city of culture venture is, to paraphrase the working group’s report, the desire for culture to act as a catalyst for social, economic and civic agendas. Rather than imposing a prescriptive checklist, the programme gives a platform to local identities and promotes existing talent and initiative for all the world to see. As my right hon. Friend the Member for Exeter (Mr Bradshaw) said in 2009: “excellence and innovation in the arts does not begin and end inside the M25”.

Given all that, it is obvious why so many UK cities are keen to bid for the 2021 title. As convincing as my hon. Friends have been, I hope they understand that I cannot back a particular bid from the Front Bench. However, it is clear that Stoke-on-Trent is an excellent candidate for city of culture, not least because that programme is built on recognition of the economic importance of the arts. That connection is particularly clear in Stoke, where ceramics are unquestionably both an art and industry that remain at the heart of that community. Stoke’s bottle ovens are testament to the intersections between technology, science, art and aesthetics. We must learn to harness that force to regenerate our economy.

As we have heard, there is so much more to Stoke than the potteries. Museums, theatres, breweries and businesses all contribute to the city’s cultural identity and pride, and to the cultural renaissance that my hon. Friend the Member for Stoke-on-Trent North spoke so passionately about. Regardless of the outcome of the next round of bids, Stoke is an excellent example of a creative community, and its bid alone will show those who rarely look beyond the M25 exactly what they are missing. The city of culture programme has been extremely successful and I hope that that will continue with whichever city wins next.

When Derry/Londonderry was the first UK city of culture, it was plain for all to see how that city had changed. On the day that we have heard the news of the death of Martin McGuinness, it is appropriate to acknowledge how his home city changed from being the crucible of the troubles a few decades previously to being a venue for the peace process to flourish and for subsequent regeneration. The title drew attention to a side of the city that was already thriving, but was previously seldom seen.

Likewise, Hull—the current title holder—is enjoying widespread media coverage and public engagement. The regeneration has already begun, as my hon. Friend the Member for Kingston upon Hull East (Karl Turner) made clear. The online media outlet, Insider Media Ltd, reports that the restaurant industry in Hull is already benefiting from the city’s cultural status. With events ranging from Comic Con to film screenings, the hard work and commitment of the people of Hull to their city and their culture is getting the praise and attention it deserves. It is also fitting to pay tribute to the work of Councillor Stephen Brady, Labour leader of Hull Council, for championing culture as an agent of change for economic regeneration.

Stoke, or any other bidding city, does not need a title to be a city of culture. Culture is already central to Stoke. However, the city of culture programme’s importance is in increasing national attention and giving credit to work that is already going on. I hope that the competition continues to thrive: that the next city to win the title enjoys the same success as its predecessors; and that the Government continue to support this excellent initiative of the last Labour Government.

Mr Philip Hollobone (in the Chair): If the Minister would be kind enough to conclude his remarks at 5.27 pm—perhaps his Parliamentary Private Secretary could prod him with 30 seconds to go—that would allow Ruth Smeeth a couple of minutes to sum up the debate.

5.16 pm

The Minister for Digital and Culture (Matt Hancock): It is a great pleasure to serve under your excellent chairmanship again, Mr Hollobone, and to congratulate the hon. Member for Stoke-on-Trent North (Ruth Smeeth) on securing the debate. Rarely has a more harmonious debate taken place in this Chamber. The hon. Lady is a passionate advocate for her city, and we have also seen from Members on both sides of the House who support the bid. There is clearly strong cross-party support. From hearing the hon. Lady, I am sure that Stoke will make strong proposals in April, as, no doubt, will the 10 other cities that are bidding for this prestigious title.

Only last week, The Times named Stoke in 11th place on its list of the top arts hotspots in Britain—one place behind Hull, the current UK city of culture. That is the first of many facts in my speech that have already been mentioned—just wait till I get on to the oatcakes. The council, which is strongly behind the bid, has brought together a wide array of partners and has incredibly exciting plans to revitalise the area. My opposite number, the hon. Member for Sheffield, Heeley (Louise Haigh), is an absolutely brilliant shadow Minister—her saying that she is not cultured is modesty beyond anything that is reasonable—and I was struck by her saying that the city of culture accolade finds a city where culture is already thriving but is hitherto not enough seen. That description of the impact of being city of culture was incredibly well put.

Stoke has a great history and a global reputation. Most people know it for its ceramics. People can visit the most complete coal-fired Victorian pottery in the UK at the Gladstone Pottery Museum, and they can decorate their own pottery during an Emma Bridgewater factory tour, both of which have been mentioned. I am the proud owner of Emma Bridgewater mugs, both at home and at work, where I have one with my ministerial title on it. It is extremely exciting and sits on my desk at work. There is also the Wedgwood Museum—funded by the Heritage Lottery Fund—which contains the stunning Wedgwood collection, reflecting centuries of cultural innovation.

When it comes to the impact of culture on the economy, I strongly agree that culture and creativity are central to social, economic and civic renewal. We talk about the impact of culture on an economy a lot now, but we can see that through the ages in the potteries of Stoke. The Wedgwood collection has been managed by
the Victoria and Albert Museum since December 2014, following fundraising efforts by the Art Fund and others and with the help of the former Member for Stoke-on-Trent Central, who is now the excellent new director of the V&A. The connection between the V&A and Stoke is one that I only expect to strengthen under his astute directorship.

Middleport Pottery, a major regeneration project funded by the Prince’s Regeneration Trust, hosts the BBC’s “The Great Pottery Throw Down”, which I am told is hugely popular but I have not seen. I will have to watch it. If it is anything like the other great pottery throwdowns in film that I have seen in my time, it will be extremely exciting. Stoke-on-Trent also has almost 200 listed buildings—there is a fact nobody has mentioned yet—many of which are connected with the ceramics industry.

It is not just about ceramics and pottery; the city has a lot of other cultural assets too, including Trentham gardens, the Regent theatre, the Victoria Hall, the New Vic and the Potteries Museum and Art Gallery. We have heard about Titanic Brewery, Appetite Stoke, the Five Towns theatre, Trentham brass band, Steelworks at Fenton and many others. In recent years, the area has enjoyed significant investment from Arts Council England and the Heritage Lottery Fund. For instance, Hanley Park, one of the largest Victorian parks in the UK, was awarded £4.5 million for refurbishment by the HLF in 2015. Then, of course, there is the football, and finally, Stoke’s contribution to fast food, the oatcake. Stoke-on-Trent clearly has a lot to be proud of, but why is it worth bidding for UK city of culture status?

Robert Flello: The Minister is right to point out the investment in culture by organisations, but it is also important to highlight investment by businesses. For example, although I know my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) will be upset by this, Valentine Clay Ltd is about to open a fantastic brand-new facility in a big, marvellous building in Fenton. It shows that businesses are also investing in and getting to grips with our city.

Matt Hancock: With so much local knowledge on display in this debate, added to the contribution made by the hon. Member for Kingston upon Hull East (Karl Turner) about the impact that city of culture status can have on a town, I am really a bit part in this debate. All the arguments have already been made, and most of the facts deployed.

UK city of culture is about naming a city, getting the attention of the whole country and putting on a pedestal that city’s cultural assets and value in order to lift it and showcase it to the rest of the country and the world. I saw that for myself in Hull, where I spent a lot of time growing up because I had family there. The impact has been incredibly exciting, including the regeneration in the town centre, such as the opening of the completely refurbished and absolutely brilliant Ferens Art Gallery. It has brought to Hull people who might otherwise not have considered it and asked people in the rest of the country and worldwide, as well as the people of Hull themselves, to look again at the city, see it in a positive, vibrant light, as it has been seen for much of its history, and lift it on its path of urban renewal. It is incredibly exciting. Walking through parts of Hull that I had not been to for 10 or 15 years and seeing them renewed and rejuvenated has been a pleasure, and I look forward to doing so in the city of culture 2021.

To put some hard facts on the issue, we estimate that being the city of culture 2017 will deliver a £60 million boost to the local economy, Hull has already had investments of more than £1 billion, creating thousands of jobs, since winning UK city of culture status in 2013. It has been named by Rough Guides as one of the top 10 cities to visit in the world this year; similarly, Londonderry saw 1 million visitors during its year as UK city of culture. I love the fact that the fans at Hull City now chant, “You’re only here for the culture!” I am sure that that can happen at both Stoke City and Port Vale, should Stoke win for 2021. The city of culture project builds on the European capital of culture project and next year’s great exhibition of the north in Newcastle and Gateshead.

No matter how far each of the 11 cities reaches in the competition, I hope that the galvanising effect of bidding will already have had a small impact. Much of it is about bringing people together, breaking down boundaries and encouraging a mixed economy of business, philanthropy and public sector funding to come together to lift a city. I hope that in the bidding process, Stoke and its surrounding area—we have heard support from my hon. Friend the Member for Stafford (Jeremy Lefroy)—has been able to lift its eyes to the horizon and make the argument locally that culture and creativity are not something to be scaled back; rather, they are critical to the investment that people want in a sense of place and belonging.

Before I leave a couple of minutes for the hon. Member for Stoke-on-Trent North to respond to the debate, I know what the people of Stoke watching this want me to do, but sadly, as I am sure she knows, it is the one thing I cannot do: grant her wish that Stoke will definitely become the city of culture. However, I commend her efforts and offer good luck to her and all the people of Stoke as the competition goes on.

5.26 pm

Ruth Smeeth: It has been a privilege to serve under your chairmanship, Mr Hollobone, in this debate on an important issue that is close to my heart. Before moving on, I want to thank my hon. Friend the Member for Ogmore (Chris Elmore), the hon. Member for Stafford (Jeremy Lefroy), and my neighbours and hon. Friends, the Members for Stoke-on-Trent Central (Gareth Snell), for Stoke-on-Trent South (Robert Flello), for Kingston upon Hull East (Karl Turner), for Gedling (Vernon Coaker) and for Redcar (Anna Turley) for contributing to this debate; it has been a diverse range. I also thank the Front-Bench speakers, especially the Minister, for celebrating my great city and how much we have to contribute. The Minister has not given me the answer I want, but I did not expect him to—yet.

I was remiss in not mentioning earlier that the oatcake has been the break-out star of the recent by-election, in addition to my new colleague.

Gareth Snell: Upstaged by batter.

Ruth Smeeth: Yes. Not only has the oatcake been mentioned in this debate, it made it into The Guardian’s food pages last month, a clear sign of the culinary zeitgeist if ever there was one.
My colleagues and I truly believe that the city of culture bid is important because it will help our children dream. It will show them how much we have already achieved and what we can achieve together in future. There is nothing more important for us. We have also seen in this debate how much Stoke-on-Trent has to offer. I hope that hon. Members have seen a little snippet of how brilliant our city is. If they did not visit this year during the by-election, although I think most colleagues did, I urge them to come and see how special we are.

It is a testament to how much we have to offer that so many of my colleagues have come to this debate, but how much more can we achieve if we are awarded city of culture status for 2021? I thank everyone for their support, and I look forward to welcoming them to the city in 2021 when we have city of culture status.

Question put and agreed to.

Resolved,

That this House has considered Stoke on Trent City of Culture 2021.

5.29 pm

Sitting adjourned.
Westminster Hall
Wednesday 22 March 2017

[Mr David Nuttall in the Chair]

Iran’s Influence in the Middle East

9.30 am

Dr Matthew Offord (Hendon) (Con): I beg to move, That this House has considered Iran’s influence in the Middle East.

I believe that Iran is a leading sponsor of state terrorism, providing financial and material support to extremist Islamist terrorist groups across the middle east, including Hamas, Hezbollah and the insurgency in Afghanistan and Iraq. Iran actively sponsors international terror groups committed to the destruction of Israel, which act as proxies for the Islamic Republic. I place on record that the people of Iran are a fine collective, with a remarkable history in the region. However, the modern-day Iran, ruled by the mullahs, is a theocratic regime, based on the principle of rule of law by Islamic jurists.

Since the election of President Rouhani in 2013, Iran’s relations with the international community have slowly improved, but its domestic human rights abuses, nuclear programme and support for international terrorism continue unchecked. Although Iran’s president runs the economy and influences day-to-day decisions, Supreme Leader Ayatollah Ali Khamenei has the final say on most major issues, including national security and Iran’s nuclear programme. The country works not only with foreign states in promoting its ideological agenda, but also with proxies such as Hamas, Hezbollah and Daesh.

First, I will discuss Syria. Iran views it as a valuable line of communication into Lebanon to support the militant Iranian proxy organisation, Hezbollah.

Mr John Spellar (Warley) (Lab): As the hon. Gentleman moves on to the specifics, may I take him back to the general? Is it not the fact that being a vicious dictatorship, Iran—something that is very important not only to its economy but also to the international community—has been a crucial buffer between the influence of Saudi Arabia and the United States, so it can be of no surprise to any of us that Iran has chosen to involve itself in the conflict in Syria.

The Iranian leadership has cited Syria as being Iran’s 35th province, with President Assad’s Alawite minority-led regime being a crucial buffer between the influence of Saudi Arabia and the United States, so it can be of no surprise to any of us that Iran has chosen to involve itself in the conflict in Syria.

The response of the Syrian regime to the Arab spring was a brutal one. Since 2011, thousands of civilians and armed militia have been killed by Government forces in Syria. Such action has prompted many Syrian army officers to join the opposition movement and form the Free Syrian Army. With the armed resistance increasing and looking ever more likely to topple the Assad regime, the clerical regime in Iran began deploying its military capability in the country. The senior commander of the Rasoulallah division of the Islamic Revolutionary Guard Corps, Hossein Hamadani, was dispatched to Syria. That man was responsible for operations in the Iran-Iraq war, as well as for suppressing the 2009 uprising in Iran. He decided that the forces sent by Iran to Syria were primarily to be at command level, as evidenced by the capture of 48 IRGC commanders two months later. That meant that infantry were needed, and the creation of Daesh occurred as a result.

Former US Secretary of State John Kerry is on the record as saying: “ISIS was created by Assad releasing 1,500 prisoners from jail and Maliki releasing 1,000 people in Iraq who were put together as a force of terror types.”

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): My hon. Friend has brought forward an important and timely subject for consideration today. He mentions the US—does he agree that many of us were disappointed with the Iranian nuclear deal? It dealt with Iran’s nuclear capacity, but there was a missed opportunity to tackle some of the state-sponsored terrorism and other underlyi- ing causes of instability in the middle east. That is something that we will look to America to do now with a new President.

Dr Offord: I hope to come on to that point, but I completely agree with my hon. Friend’s assertion. I believe that the Iranian nuclear deal was a missed opportunity. Not only did it not address issues surrounding terrorism, it also failed to consider human rights in Iran—something that is very important not only to myself and other hon. Members, but also to many of my constituents, some of whom are in the Public Gallery today.

The Iranian regime made use of its experience in suppression and control by working with the Syrian regime to achieve two objectives. The first was called the infiltration project, which was designed to instil division and dissent in the opposition; the second was the knapsack project, which was designed to bring about armed clashes between the groups and the tribes.
Although the IRGC’s Quds force remains the primary extraterritorial fighting force, and the primary force in Syria, IRGC ground forces, as well as those of the regular Iranian army, have also been employed in the conflict. In addition to those troops, more than 70,000 non-Iranian and Islamic forces have been deployed by the IRGC to fight in Syria. According to IRGC reports, that exceeds the 50,000 Syrian forces. That activity required money that became available at the right time—as my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) said, through the nuclear deal.

One of my principal concerns about the Iranian nuclear deal was that it unfroze huge resources that allowed terror to be funded in the middle east region. It appears that that is what is occurring. Over the last five years, Tehran has budgeted about $100 billion for the conflict, under cover from Khamenei’s office. That money has been spent on the purchase of military weaponry and on Syria’s own military expenses—$1 billion is spent solely on the salaries of the forces affiliated with the IRGC, including military forces, militias and Shi’ite networks.

Turning to another area of conflict in the middle east, we can also see the influence of Iran in Yemen.

**Graham Jones**: The hon. Gentleman may have noticed that in January—I think it was on 17 January—the UN panel of experts reported an update on Yemen. One of the sections in that report is entitled the “large-scale supply of weapons from the Islamic Republic of Iran to Yemen”.

Does the hon. Gentleman not think that Iran is now taking a larger and increasingly influential role in Yemen and affecting that conflict?

**Dr Offord**: I certainly agree with the hon. Gentleman, and I hope to go on to give some examples of where weaponry has gone into Yemen and how it is being used against allied forces—both the UK and the US.

Iran operates a complex network of weapon-smuggling routes throughout the region in defiance of four Security Council resolutions, which are resolutions 1737, 1747, 1803 and 1835. In October 2016, Reuters reported that Iran had significantly increased weapons transfers to the Houthis, the militia fighting the Saudi-backed Government in Yemen. US and Western officials said that, based on intelligence they had seen, the frequency of arms transfers on known overland smuggling routes had increased notably.

According to sources, the transfers have included short-range missiles and small arms as well as anti-ship missiles, explosives, money and personnel. Much of the smuggling activity has been through Oman, which neighbours Yemen.

The US navy disclosed in April 2016 that it had confiscated an Iranian weapons cache headed to the Houthis in Yemen from a small fishing craft in the Arabian sea, seizing 1,500 Kalashnikov rifles, 200 rocket-propelled grenade launchers and 21 .50-caliber machine guns. That was the fourth such seizure by the US navy in the region since September 2015. US officials have said that they are looking into whether components of missiles used in attempted strikes by the Houthis against a US warship and a United Arab Emirates vessel might have benefited from Iranian parts or originated in Iran.

General Joseph Votel, the commander of the US military command centre, said he suspected an Iranian role in arming the Houthis, and noted that Iran was one of the possible suppliers of the type of shore-based missile technology seen in Yemen.

**David Simpson** (Upper Bann) (DUP): Does the hon. Gentleman agree that there seems to have been a reluctance on the part of the United States and the UK to deal with the core issue of Iran? Surely it is time we dealt with it, given that 28,000 to 30,000 people have died through terrorism.

**Dr Offord**: I have a constituent who has spoken to me about this issue, and his view of the middle east in general is that, as a result of the Iraq conflict, Governments are loth to enter into any more conflicts. The Iranian regime can get away with its activities simply because the allied and US forces chose the wrong target.

According to the Washington Institute for Near East Policy, Iranian and Hezbollah leaders have been spotted in Yemen advising the Houthi troops and are likely to be responsible for training the Houthis to use the type of sophisticated guided missiles fired at the US navy. Like Yemen, Lebanon is being used as a proxy sparring ground by Iran and Saudi Arabia. The long leadership vacuum came to an end last autumn when the Parliament elected former general Michel Aoun as the country’s new President. The shortness of time prevents me from discussing political matters, so I will restrict my comments to military ones.

**Mr Spellar**: Before the hon. Gentleman moves away from Yemen, given all that he has correctly outlined, is it not extraordinary that that the Government are even considering ceasing supplies to countries in the Saudi-led and United Nations-endorsed and backed coalition, which is trying to repel the Iranian-backed Houthi rebellion? Such action would be not only detrimental to stability in that region but absolutely devastating for the British aerospace and defence industry.

**Dr Offord**: I certainly have some sympathy with that view, but it is beyond my pay grade to discuss what the British Government do. I will leave that to the Minister. I am acutely aware of the consequences of the Houthis taking control in Yemen and the impact it would have on the region. I look forward to what the Minister has to say about that, particularly bearing in mind the views of other Members, who have said, particularly in the Chamber, that they do not support the Saudi Arabian Government’s position.

Iran supports not only Governments but other regimes, and it focuses its attention on non-state terrorist groups. Evidence has revealed that it has financed and equipped forces that have claimed the lives of UK special forces, including the Taliban in Afghanistan and al-Qaeda in Iraq. Senior Afghan general Brigadier General Mohiyadeen Ghori, commander of the 205th Corps stationed in Helmand, said in 2007 that Iran was funding insurgents in Garmsir district of Helmand, where several British soldiers died in heavy fighting.
British special forces in Afghanistan intercepted an Iranian shipment of rockets to the Taliban in March 2011. It included 48 122 mm rockets, which sources described as “substantial weapons”, with a range of more than 12 miles—double the range of the usual Taliban weapons. One thousand rounds of ammunition were also found in the convoy. Technical and intelligence examination involving British specialists revealed that the rockets had been manufactured recently and doctored to look as if they came from a third party, but they were proved to be of Iranian origin. Markings had been removed from most of the rockets, and they had a green fuse plug, supposedly unique to Iranian-made rockets. Our then Foreign Secretary, William Hague, said that they were “weapons clearly intended to provide the Taliban with the capability to kill Afghan and ISAF”—

international security assistance force—

“soldiers from significant range… The detailed technical analysis, together with the circumstances of the seizure, leave us in no doubt that the weaponry recovered came from Iran.”

In March 2010, Afghan border officials reported that a wide range of material made in Iran, including mortars, plastic explosives, propaganda materials and mobile phones, was ending up in the hands of Taliban insurgents. The US accused Iran in 2007 of supplying arms to Taliban insurgents after armour-piercing bombs were found in a vehicle in the western Afghan province of Farah. Iran has historically provided weapons, training and funding to other groups, including Hamas and other Palestinian terrorist groups, such as Palestinian Islamic Jihad and the Popular Front for the Liberation of Palestine—General Command. Hamas is the Sunni Islamist organisation that is control of the Gaza strip. The UK designates its military wing, the Izz al-Din al-Qassam Brigades, as a terrorist organisation. The US, the EU, Australia, Canada, Jordan and Israel proscribe the entirety of the organisation—a move I have repeatedly asked the Government to make, and I do so again today. Hamas is a key terrorist proxy for Iran, and actively arms those groups via extensive smuggling routes throughout Africa and the middle east.

Diplomatic sources have informed Reuters that Iran gives Hamas a $250 million annual subsidy. Despite disagreements over Syria causing damage to the relationship, Iran continues to provide that funding. Hamas has publicly thanked Iran for the material and financial support. Mahmoud al-Zahar, Hamas’s co-founder, said:

“We have a right to take money and weapons from Iran. They give it to us for the sake of God, no conditions attached, and I am a witness to that.”

All that activity is possible because of the resources that have become available to the Iranian regime following the unfreezing of assets when the joint comprehensive plan of action was agreed. The lifting of sections released an estimated $100 billion and empowered Iran’s hard-liners to fund their regional hegemonic ambitions. There appear to be no mechanisms in place to stop the released funds from reaching Hamas, Hezbollah, the Houthis and President Assad. Just a fraction of the $100 billion of sanction relief would be enough to triple the annual budget of terrorist organisations such as Hezbollah, Hamas and Islamic Jihad.

My view of the Iranian regime is shared by many others. In February 2007, President Trump’s Administration imposed sanctions on Iran following a ballistic missile test. President Trump tweeted:

“Iran is playing with fire—they don’t appreciate how ‘kind’ President Obama was to them. Not me!”

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. He mentioned the US Administration and the newly elected President Trump, but does he agree that we need to maximise security co-operation and share evidence and information between the US and the UK and right into Europe to try to prevent the travesty that he has outlined in relation to Iran?

Dr Offord: Once again, I agree with that point of view, but it is not for me to explain to the hon. Gentleman how that co-operation should occur; it is for the Government, who I believe are actively looking at such co-operation and seeking to keep our country safe.

John Smith, the acting sanctions chief of the US Treasury Department, said:

“Iran’s continued support for terrorism and development of its ballistic missile programme poses a threat to the region, to our partners worldwide and to the United States.”

In January, our Prime Minister affirmed the UK’s priority to “reduce Iran’s malign influence in the Middle East”.

In an address to the Republican party conference in the United States, the Prime Minister said that the UK will “support our allies in the Gulf States to push back against Iran’s aggressive efforts to build an arc of influence from Tehran through to the Mediterranean.”

She assured members of the Gulf Co-operation Council in December 2016 that she is “clear-eyed about the threat that Iran poses to the Gulf and the wider Middle East”.

She emphasised that “we must also work together to push back against Iran’s aggressive regional actions, whether in Lebanon, Iraq, Yemen, Syria or in the Gulf itself.”

In February, the Middle East Minister, who is here today, said:

“The Government remains concerned about Iran’s destabilising activity in the region; we continue to encourage Iran to work constructively with its neighbours to resolve conflicts and promote stability.”

Also in February, Saudi Arabia’s Foreign Minister, Adel al-Jubeir, told delegates at the Munich security conference that Iran is the primary sponsor of international terror and the biggest threat to stability in the middle east. He said:

“Iran remains the single main sponsor of terrorism in the world. It’s determined to upend the order in the Middle East… until and unless Iran changes its behaviour it would be very difficult to deal with a country like this.”

He said that “Iran is the only one in the Middle East that hasn’t been targeted by Islamic State and al-Qaeda,” implying that there is a relationship between the regime and terror groups. He also said that the Iranians took advantage of the goodwill of the other nations that had negotiated the nuclear deal in 2015. He said that “they stepped up the tempo of their mischief”
Iran’s intentions towards Israel are utterly malign and unchanging. A decade ago Mahmoud Ahmadinejad described it as a “disgraceful blot” that should be “wiped off the face of the earth”.

His supposedly reformist successor, Hassan Rouhani, called it “a wound on the body of the Islamic world” that “should be removed.” The Supreme Leader, Ayatollah Ali Khamenei, vowed that Israel would not live to see the end of “these 25 years”. Such repeated threats to annihilate a fellow member of the United Nations again show Iran’s refusal to live by the rules that govern international relations.

Those are not merely idle threats. Only last week, one of the deputy heads of the Iranian revolutionary guard boasted that it had established underground rocket factories in Lebanon that are under the full control of Hezbollah. Days before, Iran’s Defence Minister said that Hezbollah is now capable of producing rockets that can hit any part of Israel. Hezbollah is already estimated to have between 100,000 and 120,000 rockets hidden among the civilian population of southern Lebanon.

Iran’s belligerence and expansionism is not simply a threat to our friends in the region, but a direct threat to Europe. Europe should therefore stand up for itself and stand by Israel. It should ensure that the international repudiation of Iran’s repeated threats against Israel is unequivocal.

Iran’s apparent belief that international norms do not apply to it extends far beyond its nuclear ambitions and its actions in Syria. Iran continues to defy Security Council resolutions on conventional arms restrictions and ballistic missiles, testing missiles on a number of occasions since the implementation of the nuclear deal, most recently earlier this month. It has increased its support for the Taliban and it backed the Houthi effort to overthrow Yemen’s internationally recognised Government, helping to provoke another vicious civil war in the region. Through its proxies in Hezbollah, Iran seeks to destabilise Lebanon politically to fulfil its long-held aspiration to turn the country into a client state.

Iran’s game plan is clear. First, it is working to further its dominance by establishing a land corridor to the Mediterranean, one that cuts a swathe through Iraq, along the Syria-Turkey border, south to Homs and north again to the port of Latakia. Secondly, through Hezbollah, Iran aims to establish a second front in southern Syria with which to threaten Israel. In recent days Israel has been forced to take action against a number of targets near the Lebanon-Syria border.

James Morris (Halesowen and Rowley Regis) (Con): My right hon. Friend is giving a powerful analysis of Iran’s malign influence. Does she agree that part of the
opportunity presented to Iran arises from the catastrophic failure of western policy, particularly in Syria and in not addressing issues over the past decade? That failure has tipped the balance of power and allowed Iran and Russia to operate with impunity in the middle east.

Mrs Villiers: I certainly agree that part of the explanation for the situation is the failure of western policy in the middle east over recent years. Now people across the region are suffering the consequences.

Iran is thought to have about 10,000 operatives in Syria and to have spent several billion dollars supporting the Assad regime. Many throughout the middle east are suffering as a result of Iranian involvement in funding and arming hard-line and extremist groups, but the House should be in no doubt of the suffering that the Iranian Government inflict on their own people: the regime’s human rights record is appalling, and it is a matter of serious regret that the Iran nuclear deal includes nothing at all on human rights.

Apparently, nearly 700 people were put to death by the Iranian regime in a single six-month period in 2015, which is equivalent to more than three every day. According to Human Rights Watch, Iran leads the world in executing children. It is believed that at least 73 juvenile offenders were executed between 2005 and 2015. Members of minority faiths such as the Baha’is have been subjected to arbitrary arrest, imprisonment and unjustified executions, and of course women in Iran face systemic discrimination by a legal system that views them as inferior to men.

Women are required by law to obey their husbands; they have no rights to divorce; if their husband divorces them, their children can be taken from them; and the Office of the Supreme Leader has even issued a statement forbidding women from riding bicycles in public. In April last year the Iranian Government deployed 7,000 so-called morality agents, whose task was to punish women for wearing the hijab incorrectly and for other activities deemed to be un-Islamic and unlawful.

Seema Kennedy (South Ribble) (Con): Will my right hon. Friend give way?

Mrs Villiers: I am slightly short of time, so I will not.

According to the National Council of Resistance of Iran, about 2,000 women a day are arrested for failing to comply with the compulsory dress code. In 2014 there was a spate of acid attacks against young Iranian women by people apparently motivated by what they viewed as an insufficiently rigorous approach to compliance with the rules on dress. The response of the regime was lacklustre, and those responsible have not been caught. Furthermore, the UN special rapporteur on Iran recently reported that women continue to be sentenced to death by stoning.

The nuclear deal means that our country’s relationship with Iran is somewhat less acrimonious than it has been in the past, but we should never forget that its regime is deeply repressive and brutalises much of its population. Iran’s pursuit of dominance in the region is a continuing source of instability and its support for terrorist groupings means that it is responsible for countless lives lost and families bereaved. I sincerely hope that one day the people of Iran will find a way to free themselves of the regime’s grip.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I, too, congratulate the hon. Member for Hendon (Dr Offord) on securing this important debate.

Iran has an appalling human rights record at home and is a dangerous promoter of international terrorism abroad. At home, dissent is not tolerated. Baha’is, Christians, Sunni Muslims and Sufis all face attack. Some 90 Baha’is, including seven national Baha’i leaders, are currently in prison for allegedly disturbing national security and committing so-called espionage. To mark International Women’s Day, a very effective event was held in this House to discuss Iran’s oppression of women.

Iran is intent on extending its influence across the region and beyond, to places such as Syria and Yemen, where it exacerbates conflict. Its funding of the terrorist groups Hamas and Hezbollah, together with its base in Syria, makes achieving peace in the region even more problematic. Indeed, Iran does not want peace; it wants to foment conflict indefinitely.

Under the mullahs, Iran has a long record of linked anti-Semitism and anti-Zionism. Last year, the supreme leader Ayatollah Khamenei posed a holocaust denying video on his official website, and at a military parade last September, a banner proclaimed: “Step by step we are nearing the destruction of Israel and the salvation of al-Quds.” This very week, we heard from Iran a condemnation of so-called Zionist “plots to destroy human community.”

There is overwhelming evidence that Iran is an oppressive regime, both at home and abroad.

Joan Ryan: We talk a lot about Iran, but does my hon. Friend believe that action should be taken against Iranian actors—I am thinking of Mahan Air—that aid and abet the Islamic Republic’s support for murder and terrorism? That airline is accused of ferrying fighters and weapons to Assad, and it flies in and out of Copenhagen, Paris and Milan.

Mrs Ellman: I agree. Indeed, the challenge of dealing with Iran is that, as well as taking direct action itself, it works through other organisations and groups. It is a wholly negative and destructive force. I hope that the Minister can tell us what action he is taking, as part of international forums and as a Minister of this country, to challenge Iran’s activities and ensure that it continues to be seen internationally not as a friend but as a pariah.

Sir David Amess (Southend West) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing this debate. It was well worth waiting two weeks to hear his splendid speech. I agree with every word he said. He made all the points that I wished to make, so I shall now speak for the sake of it.

This is a very well attended debate—there are representatives here from all political parties. I say to my hon. Friend the Minister, who is a splendid chap, that I have listened over the years to the same tired Foreign Office line being trotted out. Governments come and go, but the line is always the same—it is always one of appeasement. Let us be frank—at the heart of this issue
is oil. It would be wonderful to hear from the Minister something positive about what the Government intend to do. I hope that he will also reflect on the so-called achievements of the former Labour Prime Minister as middle east peace envoy—I would really like to hear about that—and tell us how he thinks former President Obama, whom colleagues mentioned, and defeated presidential candidate Mrs Clinton handled the situation. My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter), who is not in his place, said that we hope for a different approach from the new President of America—although not through tweeting.

Iran's influence in the middle east is dreadful. I will not repeat all the points that colleagues have made, but the killing and torturing people is absolutely disgraceful. The hon. Member for Liverpool, Riverside (Mrs Ellman) was absolutely spot on about the way Israel has been treated. Talking about wiping the state of Israel out of existence is absolutely disgraceful. I hope that the Minister will take seriously what Mrs Maryam Rajavi, the leader of the National Council of Resistance of Iran, said on 17 January 2017 about the Iranian regime.

Steve McCabe (Birmingham, Selly Oak) (Lab): I do not want to detain the hon. Gentleman, but is it not the case that we need to hear a change from the Government? They must give a clear signal that we are considering proscribing the revolutionary guards and that, as far as protecting our citizens, such as Nazanin Ratcliffe, is concerned, we will not negotiate but threaten sanctions unless Iran stops its illegal detention of innocent people.

Sir David Amess: The hon. Gentleman makes that point far better than I ever could, and I hope that the Minister, if we give him enough time, will comment on it.

I shall raise a constituency case. Mrs Ratcliffe, a charity worker accused of security offences, was detained while trying to leave Iran with her baby daughter after visiting relatives last year. She was accused of plotting to topple the Government in Tehran—an absolutely ridiculous claim—yet those charges were never made public. Her family denies that she broke any laws. Her two-year-old daughter has remained in Iran because the Government confiscated her passport, and in January this year a court in Iran rejected an appeal against the five-year prison sentence given to Mrs Ratcliffe. The regime does not recognise dual British and Iranian citizenship, meaning that she cannot be given consular assistance. I hope that the Minister will write to me about that case once his officials have looked at it.

It would be wonderful if we did not hear the same tired line of appeasement trotted out by the Foreign Office. At the heart of this is the Government’s worry that we will lose oil supply. Given that all political parties are represented in the Chamber and I doubt that anyone will stand up and say, “The Iranian regime is absolutely wonderful,” it would be good, at this extraordinary moment in the history of our country, to hear from the British Government that we intend to engage with like-minded countries and do something about the dreadful regime in Iran.

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I congratulate the hon. Member for Hendon (Dr Offord) on securing it and clearly setting the scene for us all.

The US Defense Secretary recently awarded Iran the title that no right thinking nation should wish to have—that of being the single biggest state sponsor of terrorism in the world”. That searing condemnation has been underlined by other world leaders. The Americans have taken steps to address this situation, and I urge the Minister to do the same.

The Minister knows about the deep respect that we all have for him and the time he takes to provide answers. We appreciate that, but I hope that he gauges the amount of angst among us all at this time and that he will take further steps. Why has no action been taken? What has been the result? Why has it not been possible to remove human rights aspects from negotiations and to lift sanctions from Iran? Is Iran considered the world’s leading state sponsor of terrorism and the world’s No. 1 executioner per capita. It is the epicentre of terrorism, religious fundamentalism and regional meddling, and it is ruled by a religious dictatorship. It murders people because it can.

I remind the Minister of my stance—it is shared by the hon. Member for Hendon—on Iran’s testing of ballistic missiles. In my opinion, that is not a step by Iran that is conducive with international sanctions and obligations. We know what I am referring to. The missile was built in Iran and it will be able to strike at ships in the Gulf delta, up to 180 miles away. Am I alone in my concern? I believe I am not. The Chamber is full of people who think likewise. The difference between the Americans and us at this moment is that we have said our eyes are open, but our hands, for some inexplicable reason, are tied. That is not the approach that any peacemaker should take. I say again to the Minister: at the very least, sanctions must be imposed upon the Iranians as an indicator of the fact that we in the House are aware of the situation and will oppose any further shows of strength that they deign to make.

The hon. Member for Liverpool, Riverside (Mrs Ellman) mentioned the persecution of Baha’is, which is rampant, as is the persecution of those of the Jewish faith. As to Christians, 193 were arrested in Iran in 2016. Yaser Mosibzadeh, Saheb Fadayee and Mohammad Reza Omidi were arrested on 13 May, along with their pastor, Yousef Nadarkhani, as they were celebrating communion. They have all been charged with acting against national security and have had two hearings, but a verdict is still pending. Yaser, Saheb and Mohammad Reza were also charged with consumption of alcohol for drinking wine at communion and sentenced on 10 September to receive 80 lashes each. Can you believe that? I had communion at church on Sunday, and other hon. Members probably did as well. Imagine that afterwards every one of the 150 people in my church was given 80 lashes for taking communion. That happens in Iran on a daily basis.

We have softened our approach in the past two years, but the Iranians’ behaviour has been the opposite. They have flexed their muscles and tested the water—to find nothing of substance in the result. I urge the United Nations and the Council of Resistance of Iran has done, for immediate eviction of the IRGC, to stop it sponsoring and spreading terrorism. Finally, I will quote Winston Churchill:
“One ought never to turn one’s back on a threatened danger and try to run away from it. If you do that, you will double the danger. But if you meet it promptly and without flinching you will reduce the danger by half.”

Let us learn from that and meet our international obligations with wisdom and strength.

10.12 am

Bob Blackman (Harrow East) (Con): It is a pleasure to serve under your chairmanship, Mr Nuttall, and to follow the hon. Member for Strangford (Jim Shannon). I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing the debate and on braving the Northern line to make sure that he got here.

I share my hon. Friend’s serious concerns about the destabilising effect of Iran on the middle east, and am delighted that there is concern in the United States; there has been for a long time. I am encouraged to hear that the new Trump Administration have initiated a review process whereby the Iranian Revolutionary Guard Corps could finally be listed as a foreign terrorist organisation. That is a welcome break from long-standing US and European policies that seemingly regarded the hard-line paramilitary organisation as a legitimate instrument of Iran’s national defence, despite the fact that it sponsors Hezbollah, Hamas and various other terrorist proxies throughout the middle east and across the world.

Prior to the change in approach, the State Department saw fit only to give a punitive designation to the special foreign operations wing of the IRGC, known as the Quds Force. Yet even that designation was somewhat anaemic, in that it saw fit to identify the Quds Force only as a “material supporter of terrorism”, and not as a fully-fledged terrorist entity. I argue that the IRGC as a whole unquestionably fits the legal criteria for designation as a terrorist organisation, given its proven involvement in terrorist attacks abroad.

If there were any question about the organisation’s terrorist intentions or capabilities, it should have been cleared up following new revelations about IRGC activities inside and outside Iran from the National Council of Resistance of Iran, which I am proud to support. Those new revelations added clarity to what most foreign policy analysts know about Iran’s theocratic regime: that it has spent years and resources on an effort to deepen sectarian divisions throughout the region. Clearly, that harmful aspect—the destabilising of the regime—amplifies the problems with what Iran does.

Bob Blackman: Clearly, that harmful aspect—the destabilising of the regime—amplifies the problems with what Iran does.

What I have been describing has diminished American and European influence and perpetuated today’s climate of division. It is undoubtedly harmful to our interests, and it benefits Tehran’s constitutionally mandated mission to extend the Islamic revolution beyond the borders of the Islamic Republic. It would be absurd to suggest that the IRGC’s proxies in Syria, Iraq and Yemen are not terrorist operatives in the same way as its proxies in Bahrain, Kuwait, and Nigeria are. Each of them is trained by similar means within the same Iranian network and serves the same foreign policy goals of the Islamic Republic, which are contrary to the interests of Europe, the UK and the United States.

The Obama Administration have rightly been criticised for appeasement, as has been mentioned. Despite the cherished nuclear agreement and associated side deals, there has been no sign, either that the human rights violations that routinely take place are being rectified, or of moderation in Iran’s anti-American and anti-western rhetoric or promotion of international terrorism. We should therefore understand that the theocracy ruling Iran will remain true to its hard-line roots, regardless of what we in this country, or beyond, attempt to do. There is little rational basis for further arguments in favour of conciliation and appeasement, especially given what the Prime Minister and the Trump Administration have said.

I want finally to ask the Minister whether he will follow the Trump Administration in reviewing policy, and proscribe the IRGC.

10.17 am

Seema Kennedy (South Ribble) (Con): It is a pleasure to serve under your chairmanship, Mr Nuttall. I congratulate my hon. Friend the Member for Hendon (Dr Offord) on obtaining such a timely debate, and managing to delay it so that it is now happening in the week of Nowruz. I wish everyone here a happy Persian new year.

I think that I am the only person taking part in the debate—although not the only person present in the Chamber—who has family members still living in Iran, and family members who have actually been in Evin prison. Iran is a massive country, five times the geographical size of Great Britain, with a population of 83 million. To understand its influence I think we have to look back in history. I have spoken in many debates on the middle east in the past two years, and we must always look back in history. As to its borders, from prehistory until the 18th and 19th centuries, when Russia and Britain began to contract the borders, the countries where Iran had influence were Turkey, Iraq, Russia, Afghanistan and India; it occupies the crossroads between the middle and near east.

The debate is about Iran’s influence, which, as is shown by the examples rightly given by right hon. and hon. Members, has been malign. However, to understand the Iranian psyche, it must be recognised that the country
has been subjected to non-stop invasion by the Arabs, Mongols and Turks, then by Russia and England in the 19th century and the US in the 20th century. The Iranian character has endured. The language is the same as before, with an overlay of Arabic alphabet. Pre-Islamic culture, such as Nowruz, which we celebrate this week, has endured. It is the most important festival.

I am afraid to say that there is a feeling of superiority in Iran—that they are better than their neighbours. Hence the need for expansion. I am no apologist for the regime. My family’s home and business were taken and my relatives are scattered to the winds, but we cannot ignore Iran. It is a huge national player. If right hon. and hon. Members are saying that we need to go to war with Iran, that is a subject for another debate. What I think is that, ever since I was a little girl, there has been little engagement from Britain or other European members. What does Iran have? It is still a country where women have to wear the hijab—although I would argue that they have more rights than in some of our Arab allies—and it is still a country with very high rates of execution. That is due to a lack of engagement. We need positive engagement from Britain and other partners. That will be better for the people of Iran and better for us.

10.20 am

John Howell (Henley) (Con): I will not cover the points made by others about Iran’s being a sponsor of state terrorism, although I may refer to that in a moment. I will pick up on a point that was made in passing by my right hon. Friend the Member for Chipping Barnet (Mrs Villiers) about the Financial Action Task Force. In June 2016, the plenary and working group of the Financial Action Task Force—I shall call it FATF to try to speed things up—announced it would keep Iran on its blacklist, citing concerns over the risk of financing terrorism that Iran showed.

FATF is an intergovernmental organisation that sets global standards to combat money laundering and the financing of terrorism. It warned of the threat that Iran posed to the international financial system and advised the business community to conduct special due diligence exercises when considering business relationships and transactions with Iran. That is something we should all bear in mind. FATF has now suspended mandatory counter-measures on Iran for a year, based on the promises that Tehran would take steps to address deficiencies and implement the action plan that it had set up with the organisation.

The big point is that Iran has declined to abandon its continued support for Hezbollah, Hamas and other terror organisations. Iran has claimed it is making progress, as I mentioned in an intervention, by passing a counter-terrorism law last year that, it claims, will enable it to comply with FATF standards and will “send a message of goodwill” to financial bodies worldwide over doing business with its banks. However, the terror organisations, Hamas and Hezbollah, are simply not subject to that law, Iran’s central bank deputy for anti-money laundering affairs recently said that “liberation organizations”—which is what he calls Hezbollah and Hamas—“are not subject to this law and the Supreme National Security Council decides who is a terrorist.”

Iran has given a familiar gesture to world organisations as to what it can do with FATF’s statements, and we should resist that.

Let me comment a bit on terrorism and Hezbollah, because I think that is one of the most dangerous examples of Iranian influence. Hon. Members do not have to believe me on that; a top Iranian general told a Kuwaiti newspaper that Iran has established rocket factories in Lebanon that are under the full control of Hezbollah. That indicates, in microcosm, the importance of the debate, which I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing, and the importance of the subject we are discussing.

10.24 am

Mr David Burrowes (Enfield, Southgate) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on clearly calling out Iran and its state-sponsored terrorism, its direct threat to Israel and its destabilisation of the wider region. We always say that debates are timely. Even if it was delayed, this one is indeed timely, not least, as my hon. Friend the Member for South Ribble (Seema Kennedy) said—I commend her remarks—because of the Nowruz celebrations this week.

Nowruz is a time of holiday and celebration for the great Iranian diaspora in my constituency and elsewhere. We can join in their celebrations, but we are showing our solidarity with the Iranian people today; that is what we are doing. We are on their side, particularly as we look to their constitution, which has a respect for diversity and freedom—not least freedom of belief of religion. That is the issue I will focus on; it has been mentioned before but I will talk about it again.

In this festival week, past Iranian Governments have traditionally granted pardons to prisoners of conscience, which is why I particularly want to call them out on current prisoners of conscience. When President Rouhani was elected, there was optimism and hope. There were good words, and we thought that this was a new chapter. However, those hopes have been dashed—not least for those prisoners of conscience who simply want to go about their day and manifest their faith.

My hon. Friend the Member for South Ribble referred to engagement. There has been engagement; it led to the comprehensive plan of action, which led to the opening of the British embassy, which led to international ties. However, that engagement has to be meaningful and conditional. The litmus test that we want is the condition of human rights—not least the fundamental human rights of freedom of belief. Last week, Mr Hadi Asgari and Mr Amin Naderi went on hunger strike to demand adequate medical care and attention. They had been detained for the crime of converting to Christianity, which, of course, is no crime.

These are not isolated cases, as the hon. Member for Strangford (Jim Shannon) said. I also refer to the recent case from 20 February in Urmia, when revolutionary guards intelligence detained Anousheh Reza-baksh and her son Soheil Zargarzadeh Sani, who refer to themselves as Veronika and Augustine. They were arrested in their home and had had no previous contact at all.
with the authorities. They do not understand why they have been arrested. In fact, no one has had any further updates on their whereabouts and wellbeing since the date of their arrest. It is feared that they have been detained by the revolutionary guards intelligence, as happens in Urmia.

There are also others. Maryam Naghash Zargaran, a Christian convert, is serving a four-year sentence for the so-called charge of action against national security, simply for having a Christian faith. There is also Ebrahim Firouzi, a Christian convert who has been imprisoned since August 2013. The list goes on and on, and it is important that we speak out for those people with whom we act in solidarity today. There is a litany of human rights abuses, including multiple sessions of prolonged interrogation, coupled with physical and mental abuse and death threats.

In our engagement with Iran, is the Minister calling out those human rights abuses? During Nowruz, we are calling out to Iran to show that there is some good faith, which many have perhaps lost, that it will release those prisoners of conscience. That would give us at least some reassurance that Iran wants to pursue the proper freedoms and human rights that lead to proper engagement.

10.28 am

Caroline Ansell (Eastbourne) (Con): I congratulate my hon. Friend the Member for Hendon (Dr Offord) on securing this important debate. It is a privilege to take part in a debate in which my hon. Friend the Member for South Ribble (Seema Kennedy) brings such extraordinary insight and makes that important distinction between the people and their leaders.

Since the signing of the nuclear deal in July 2015, Iran’s regional aggression has continued unabated, as has its deeply distressing human rights record so described by other hon. Members. It is reported that at least 14 ballistic missile launches have taken place, with each missile capable of delivering a nuclear warhead, yet apparently not technically in breach of the nuclear agreement. President Rouhani has warned that Iran is completely ready and able quickly to restore its nuclear programme if western powers do not keep to the terms of the deal, while Iran’s supreme leader continues to call for Israel’s destruction.

Should we not take heed of the concerns held by so many of Iran’s neighbours? In March last year, the Arab League announced that it considers Hezbollah a terrorist organisation, just weeks after the Gulf Co-operation Council made the very same designation. Concerns were raised at the time of their arrest. It is feared that they have been detained by the revolutionary guards intelligence, as happens in Urmia.

However, there is one welcome, unexpected side development. Iran’s hegemonic influence in the middle east, allied to the threat of Daesh, has undoubtedly brought neighbouring countries closer together, perhaps most intriguingly leading to the alignment of interests between Israel and its Gulf neighbours. In recent months, unprecedented lines of communication have been opened with countries with which Israel shares no diplomatic ties, including some that refuse to recognise Israel’s right to exist as a Jewish state but still recognise the importance of co-operation in the face of existential threat.

Reports emerged earlier this month that a US-organised summit took place between Israel, Jordan and Egypt. The parties discussed an Israeli-Palestinian peace process and a strategy to encourage the Palestinians to return to direct peace talks. As our Foreign Secretary said just last week, the Gulf Co-operation Council and Arab countries “hold the key” to the peace process. At a time when Israel faces greater threats than ever before on both its northern and southern borders, from Iranian proxies Hezbollah and Hamas, the support of its neighbours is paramount. Allies such as the UK and the United States must stand firmly by our friend Israel in these turbulent times and do all we can to continue to support and facilitate regional dialogue, which may finally counter Iran’s influence in the middle east.

10.31 am

Patrick Grady (Glasgow North) (SNP): It is always a pleasure to serve under the chairmanship of a fellow member of the Procedure Committee, Mr Nuttall—that explains why everyone has been able to speak, in precisely the right amount of time. I congratulate the hon. Member for Hendon (Dr Offord) on finally bringing us all together for this debate.

I want to start by condemning unreservedly human rights abuses in Iran. I have constituents who have fled Iran and have raised serious concerns with me about the activities of the IRGC. What assessment has the Minister made of the serious allegations of human rights abuses that we have heard from a number of Members in this debate? I have also heard points about the supply of arms, especially to Yemen. Again, I condemn unreservedly the illegal trade and supply of arms. I hope that Members and the Government will condemn the sale and use of UK-manufactured arms in the Saudi-led operations in Yemen, as reported by Amnesty International and others.

I want to focus on the role of the nuclear deal—the joint comprehensive plan of action—that was agreed in July 2015. Global circumstances have changed quite considerably since that time, but the deal came with an eight-year implementation horizon, starting in January last year. It must, by definition, be able to withstand changes of regime within the signatory parties. As the title of this debate suggests, the agreement is crucial for security and stability in the wider region. We are therefore at something of a crossroads: the agreement can either be seen as a beacon of diplomatic achievement or it can be weakened and undermined, with all the consequences for both the country and the region that that implies.

That is why continued constructive dialogue will be essential for the successful implementation of the agreement. The Scottish National party urges the UK Government to contribute fully to that international effort, both in the UN Security Council and by supporting Federica Mogherini, the EU High Representative for foreign affairs and security policy, in her role as joint co-ordinator of the Joint Commission, both pre and post exiting the European Union.

The agreement means that diplomatic relations with Iran are still better than they have been for over a generation, so we must look for opportunities to determine whether Iran’s regional influence—especially in Syria, Iraq, Afghanistan and Yemen—can be part of a negotiated resolution to the ongoing conflicts and humanitarian disasters in those areas.
The rhetoric towards Iran from the new Administration in the United States means that the responsibility of the UK, other EU Governments and the EU itself is greater than ever. Europe must take the lead in constructive engagement with all parties to preserve the nuclear agreement and to further stability across the region.

We have heard throughout the debate, from all Members who have spoken, about Iran’s influence and its links with key actors in Syria, Iraq, Afghanistan and Yemen, including the Syrian and Iraqi Governments and Hezbollah. Military, intelligence and financial support is provided, but surely that indicates a need to maintain some kind of stability and continued diplomatic communication. If the nuclear deal can continue as the basis of relations, it ought to offer an example and prospect of similar diplomatic progress across the region. Equally, if relations break down, it risks spreading further instability across the region.

Presidential elections are due in Iran in May this year. President Rouhani, who of course is a graduate of Glasgow Caledonian University, is hoping for re-election. That would certainly provide some kind of continuity. We have also heard today about the rhetoric from the US Administration. I am not sure how productive ramping up rhetoric is. This is an important time for the UK to remain resolute, stick to the deal negotiated in 2015 and use its much-trumpeted relationship and influence with the US to encourage it to do likewise.

An important way for the regime to show some good faith is on prisoners of conscience, which a number of Members have raised, including the hon. Members for Enfield, Southgate (Mr Burrowes), for Liverpool, Riverside (Mrs Ellman) and for Strangford (Jim Shannon). We heard about the cases of UK citizens Nazanin Zaghari-Ratcliffe and Kamal Foroughi in a recent Westminster Hall debate. Both have done nothing wrong and are being held in worrying conditions with little communication with their families or the outside world. That is of considerable concern to all our constituents.

I, like many other Members, have received a lot of correspondence on those cases. I recently met with my local Amnesty International group, and I pay tribute to all those campaigning for their release. I also had the privilege of meeting Kamran Foroughi, Kamal’s son, a couple of weeks ago. I pay particular tribute to him and his family and their determination to bring the man they call grandpa Kamal back home to see his granddaughters.

We are at something of a crossroads. The key point that the Minister has to address is how the UK will use its diplomatic influence in the region and with the United States, and what representations it continues to make regarding UK citizens detained in Iran.

10.36 am

Fabian Hamilton (Leeds North East) (Lab): I congratulate, as everybody else has, the hon. Member for Hendon (Dr Offord) on eventually securing this debate, despite the setbacks of two weeks ago that were totally outside his control. In this week of Nowruz, the Iranian new year, it is very appropriate to hold a debate such as this.

The hon. Gentleman talked about Iran being the chief sponsor of terror in the region—something that is well known and well documented. He also made the very important point that Iran regards Syria as its 13th province. The policies of the Iranian Government have certainly shown that to be the case. He also mentioned, rather importantly, the lifting of sanctions following the Iran nuclear deal, which he claimed has released $100 billion to the Iranian Government—to be used, as he pointed out, largely for sponsoring some of the most appalling terror groups.

My right hon. Friend the Member for Enfield North (Joan Ryan), who has been very active on middle east issues, pointed out that the nuclear deal has done nothing to stop Iran’s destabilising influence in the region, as the hon. Member for Hendon said. My right hon. Friend also drew our attention to the underground rocket factories that are under the control of Hezbollah in Lebanon. It remains to be seen what other Governments in the region will do about that, if indeed they can do anything at all.

My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), who has a reputation for being very forthright and involved in debates on the region, called Iran a dangerous promoter of terrorism overseas and of repression at home. We heard some months ago, in this very room, horrifying and hair-raising stories about the abuse of human rights in Iran, some of which have been mentioned today. The right hon. Member for Chipping Barnet (Mrs Villiers) drew our attention to them once again.

One of the most fascinating contributions this morning was from the hon. Member for South Ribble (Seema Kennedy), who drew our attention to her own family members who are still in Iran. She rightly said that we cannot ignore Iran. That is clear to all of us, and that is why this debate has been so well subscribed.

As we have heard, Iran is increasingly exerting its power in the middle east, taking advantage of the economically and politically destabilised post-Arab spring middle east. With the collapse of so many national Arab identities and the growth of sectarian identification, Iran has found a new role in the middle east as a regional superpower. As was mentioned, much of that stems from the Sunni-Shi’a rift in Islam—a historical rift going back centuries that is rearing its head with a vengeance today.

Iran is playing, I believe, a long-term game by investing in the region. It penetrates weaker systems in the region so as to make itself indispensable to many parties and, of course, as a means to project its own power. As we have heard, it invests not only in hard power but in soft power, such as by establishing cultural and religious centres and financially supporting groups in other middle eastern countries.

Iran has the largest majority Shi’a population in the region—indeed, in the world—and is a self-declared defender and supporter of Shi’a minorities in other middle eastern countries; it often criticises other countries for mistreating their Shi’a minorities. We have heard today that Iran supports Hezbollah—the Lebanese Shi’ite militia that is the most powerful military force in Lebanon. Iran also supports President Assad of Syria; it is his closest ally, of course. Iran has come to dominate so many nations in the region, especially those that I have
mentioned. As we heard, it is more clandestinely supporting the Shi'a Houthi rebels in Yemen, and it has criticised Bahrain for mistreating its own Shī'ī population.

The hon. Member for Hendon mentioned something that baffled me slightly; I do not know about other hon. Members. That was Iran's support for ISIL or Daesh. I have not seen any evidence that suggests that Iran supports in any way the activities of Daesh, but if the hon. Member for Hendon has such evidence, I would be interested to see it.

Despite the sanctions, Iran is the second largest economy in the middle east and north Africa after Saudi Arabia. Its GDP in 2015 was $393.7 billion, according to the World Bank. I am sure that, once the sanctions have been fully lifted, its economy will grow much faster. Judging by the last time I was there, which was nearly 10 years ago, it certainly needs a lot of investment in its major infrastructure, because that is sadly lacking.

As we have heard, Iran's political system is religious democracy—theocracy. It is a unique model in the world. I think the hon. Member for South Ribble said that its population is more than 80 million. According to World Bank statistics, the population was 78.8 million in 2015, but of course without a proper census, it is very hard to tell. According to the British Council in March 2016, Iran is a “sophisticated, highly educated state...with a youthful population”.

The last statistic I saw was that two thirds of its population are under 35 years old. That is remarkable.

The United Kingdom, the United States and their allies in the Gulf Co-operation Council have stated that Iran engages in “destabilising activities in the region”.

That is in the House of Common Library briefing paper of 2017. The Prime Minister stated on BBC radio in December that she was “clear-eyed about the threat that Iran poses to the Gulf and the wider Middle East”.

The Gulf Co-operation Council views Iranian influence in the region as threatening and as a sign of Iran's desire for regional hegemony.

Let me discuss Iran after the nuclear deal. The joint comprehensive plan of action, which was signed in July 2015 and came into force in 2016, has been called by President Trump “the worst deal ever negotiated”.

Iran is using the nuclear agreement to ease its international isolation and reassert itself as a regional power and a regional energy and trade hub. It has placed in storage two thirds of its centrifuges for the creation of nuclear fissile material and dispensed with 98% of its stockpile of low-enriched uranium. Those facts were upheld when I visited the International Atomic Energy Agency in Vienna last November. A huge percentage of its inspectors are still in Iran. It is consuming most of the agency's budget, Director General Amano told us at the time.

Jim Shannon: So far, the hon. Gentleman has not commented on this issue, but I am sure that he will do so shortly. Does he agree that every opportunity should be used to express solidarity with Christians and other religious groups being persecuted regularly and systematically in Iran, and does he feel that the Minister should take every opportunity to bring the matter to the attention of the Iranian authorities?

Fabian Hamilton: The hon. Gentleman has a brilliant reputation in the House of Commons for standing up for the rights of persecuted Christians anywhere in the world. Of course I agree that we should always point out abuses of the human rights not only of Christians, but of the Baha'is, who have been mentioned. There is also still a small Jewish population in Iran, frightened that they might inadvertently mention the terrible word that is forbidden—Israel.

I will conclude, because we all want to hear from the Minister. Zvi Magen, of the Israeli Institute for National Security Studies, said just last year: “The Israeli security establishment believes that the main threat Israel is facing in Syria is in fact Iran and its local proxies like Hezbollah”, which are being funded by the Iranian state. Israel feels threatened by a Shi'a axis within its neighbours. In 2004, King Abdullah of Jordan warned of a rising Shi'a crescent in the region. I was in Jordan just in January, when I heard in detail the Jordanian Government’s concerns about the rise of Iran.

Iran’s revolutionary Government since 1979 is in so many ways a real tragedy for the people of Iran. It is a country of such wonderful people. I have been there myself. I have met its only, and absolutely splendid, Nobel laureate, Shirin Ebadi, an extraordinary woman who is struggling to make her voice heard against the regime’s repression. Iran has made a huge contribution historically to human civilisation, human knowledge and culture, and Labour Members would love to see Iran do so again and see the Iranian people set free to once again take their rightful place in the world.

10.46 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): It is a pleasure to respond to this excellent, and frank and forthright, debate. On the way here, I was reading some of the headlines in the newspapers today as people, newspapers and the community judge the life of Martin McGuinness and the transition that he made from being a terrorist to the role that he played in our dealing with the terrorist movement and the problems that we faced in this country. That prompts the question that every Government must face. How do we deal with people in these difficult areas? Do we give them a chance, or are these things irreconcilable? Are they people we cannot do business with, so that we must go down a different avenue? That precedent is pertinent to this debate, because the nuclear deal has changed the environment; it is the prism through which we are looking at Iran for the moment. However, as the debate has illustrated, Iran continues to pursue actions that are not in line with what the international community would expect of a nation that we want to see be more responsible in a very important region.

Like others, I wish a very happy Nowruz to the large Iranian diaspora in this country and all those who recognise the Persian calendar. The profound speech by my hon. Friend the Member for South Ribble (Seema Kennedy) reflected the fact that, to understand Iran—or, indeed, any country in the world—and its relationship
with us and its engagement in its region, we must understand its history. Iran’s strategic position in the middle east and the huge influence that Iran—Persia—has had on the region for a long time is the context for some of the challenges that we face today. It remains a key regional player.

The way in which Iran chooses to use its influence, and the impact that it has on conflicts and tensions in the region and further afield, matters to all of us. We want to see Iran playing a more transparent and constructive role in regional affairs, especially in the face of shared threats, which have been mentioned, such as Daesh. However, I remain concerned that instead of using its influence to stabilise the region in a positive way, it is actually destabilising it and, indeed, threatening wider security. That needs to be addressed.

As usual in such debates, there is limited time for me to respond to everybody. As I customarily do, I will write to individuals with the answers to their questions. In addition to congratulating my hon. Friend the Member for Hendon (Dr Offord), I will do my best to respond to his specific points. He mentioned the situation in Syria, which is, of course, a concern to all of us—a multi-sided conflict exacerbated by the interventions of key regional and wider powers as well as non-state actors. There remains an absence of consensus; indeed, some agendas are diametrically opposed.

I am glad Syria was touched on in the debate, because I want to take this opportunity to say again that in our desire to help shape the world and be a force for good, we had an opportunity in August 2013 to stand up to the tyranny of Assad, and we blinked. We must learn from that as parliamentarians. Red lines were crossed, and President Obama also chose to step back from the Hussein. When I visited Tehran earlier this year I made the point that this is a great opportunity for Iran to be part of the solution and not part of the problem—to engage with us in getting all parties back to the table so that we can end that civil war, particularly given the very real onslaught of famine in that country.

A great example of where Iran can re-engage with the wider community is the challenge of Yemen—the proxy influence on what is happening there has been mentioned. In the Arabian peninsula, Iran is stoking tensions with the Gulf Co-operation Council, and may be seeking to exacerbate the conflict in Yemen by giving support to the Houthis. When I visited Tehran earlier this year I made the point that this is a great opportunity for Iran to work towards peace in Syria.

A lot of comments have been made about the UK’s increased engagement with Iran. That is absolutely true—our embassy has reopened and there have been a number of visits, including my own. There has been parliamentary engagement and phone calls between the Prime Minister and the Foreign Secretary as well as bilaterals held in international forums. Many conversations are taking place behind the scenes; parliamentarians might want those to be more vocal, but I assure hon. Members that we do talk about the rights of minorities, the proxy influence, human rights and the death penalty, sanctions and missile procurement, and consular cases—I will write to my hon. Friend the Member for Southend West (Sir David Amess) in detail about the particular case he raised.

Oliver Dowden (Hertsmere) (Con): Mr Foroughi’s son is a constituent of mine. Many Members have raised his case, and I thank them for doing so. There is near unanimity among Members of this House that Mr Foroughi’s father should be released. Surely that would be a sign of Iran’s engagement with the international community, particularly given that he has already served more than half his sentence, and so according to its own laws should be released.

Mr Ellwood: I commend my hon. Friend for the manner in which he supports his constituent. He knows that I have met the family on a number of occasions and raise this matter on a regular basis. There is perinuity among Members of this House that Mr Foroughi’s father should be released. Surely that would be a sign of Iran’s engagement with the international community, particularly given that he has already served more than half his sentence, and so according to its own laws should be released.

Mr Ellwood: I commend my hon. Friend for the manner in which he supports his constituent. He knows that I have met the family on a number of occasions and raise this matter on a regular basis. He is absolutely right that we seek clemency from the Iranian Government to recognise that the length of sentence has already been fulfilled. We look forward, as a sign of good will between our two countries, to reuniting Mr Foroughi with his family.

Although we talk about individual aspects of Iranian activity, for me the core of this issue is the cold war that exists between the Sunni and Shi’ite worlds. That needs to be reconciled, and is something other GCC nations are also focused on. It is the backdrop against which a lot of other events take place, and it stands in the way of improving security in the region and prosperity as well. I have said before that those are now political banners that countries are using. There is no doctrinal difference between their theological approaches to the religion—they both believe in the absolute centrality of the Prophet Mohammed. There is a difference between them on who should be the first caliph—whether it be the father-in-law or the son-in-law—and there are turning points...
that have caused a difference in opinion, such as the battle of Karbala or Shah Ismail, who basically created Persia in the form we see today with its culture, religion and language. Other than that the difference is simply political and historical, and there is no reason why there cannot be a reconciliation and an end to the cold war that we see. That needs to be pushed forward and encouraged. Britain would absolutely want to play a role in that, but it is for the region itself to recognise the benefits of moving forward from the divide between the Shi'ite and Sunni faiths.

I want to leave a minute or so for my hon. Friend the Member for Hendon to conclude, so I will just say that Iran has long been influential in the middle east and remains a key player. It now has the opportunity, particularly following the nuclear deal, to engage more closely with the international community and to play a more positive role in the region's future. Unfortunately its actions in Syria and elsewhere suggest that it is, for the moment at least, following a different path. The implications for the region and the world are very serious indeed, and that is why the Government believe that continued dialogue with Iran is vital. It is why I visited Tehran in January for discussions on a range of issues, as I mentioned, including international security. We will maintain pressure on Iran to meet its international obligations and to engage more constructively with its neighbours and the international community. Iran should use its considerable influence not to destabilise the region, but to stabilise it for the benefit of all. That is what the Government are working to achieve.

10.58 am

**Dr Offord:** I thank the Minister for his comments. Sometimes he unfairly comes into the line of fire of criticism from myself and some of my colleagues, but it is certainly not him that we criticise—it is the issues that we discuss with him that we are critical of. I understand that his experience of terrorism is something that is not known to the rest of us; I deeply acknowledge that.

I thank everyone who has come to today's debate. I apologise for my absence on a previous occasion, but I am grateful for the number of people who have come along. I am particularly grateful to you, Mr Nuttall, for advising me to give people enough opportunity to speak. I assure you that I could have spoken for longer, but I am grateful to have heard other people's experiences. I also want to apologise to constituents of mine who are here today for some of my pronunciations.

Most of all, I thank the right hon. Member for Enfield North (Joan Ryan), who spoke about Israel; my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), who spoke about human rights in Iran; the hon. Member for Liverpool, Riverside (Mrs Ellman), who spoke about human rights; my hon. Friend the Member for Southend West (Sir David Amess), who spoke about US influence; the hon. Member for Strangford (Jim Shannon), who shared his concerns and spoke about human rights; my hon. Friend the Member for Harrow East (Bob Blackman), who spoke about the relationship with the US; my hon. Friend the Member for Henley (John Howell), who spoke about terrorist funding; my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), who not only suggested that I have this debate in the week of Nowruz but spoke about Christians in the country; and the hon. Members for Glasgow North (Patrick Grady) and for Leeds North East (Fabian Hamilton). Finally, I thank my hon. Friend the Member for South Ribble (Seema Kennedy) for all that she said; I certainly take it to heart and hope that one day she and myself can go to Iran.

*Motion lapsed (Standing Order No. 10(6)).*
Heathrow Airport Expansion: Elmbridge

11 am

Mr Dominic Raab (Esher and Walton) (Con): I beg to move,

That this House has considered the effect of Heathrow airport expansion on Elmbridge.

It is a pleasure to serve under your chairmanship, Mr Nuttall, and I am grateful that the Minister has taken the time to be here. This issue is very important for my local constituency, with the publication last month of the Government’s draft national policy statement on Heathrow. I will take this opportunity to speak about the impact of the proposed airport expansion on my constituency.

I should say at the outset that I live under one of the flightpaths, so I appreciate at first hand the issues that raises. Constituents who live in neighbourhoods in certain parts of the constituency particularly feel the impact, especially those in Molesey and parts of Walton-on-Thames. It is true that the impact is felt variably in different parts of the constituency. Residents in those communities are especially concerned about the current operations in and out of Heathrow and, naturally, the implications that a third runway might have on their quality of life. I will set out some of those concerns, and I would be grateful if the Minister addressed as many of them as possible. However, given the number of questions I have and the time available, I gently and respectfully suggest that he takes the opportunity to follow up the debate with a letter, if he feels unable to address any points of detail today. I hope that is a reasonable request.

I support the expansion of Heathrow airport in principle because I recognise its importance for the future competitiveness of the UK economy. Ideally, I would have preferred both Heathrow and Gatwick to be expanded, partly because of the economic case, but also to spread the impact. Nevertheless, I recognise that the economic case for expanding Heathrow is strong, both nationally and locally, Heathrow airport directly employs 1,000 residents in Elmbridge. An expanded Heathrow would not only guarantee those jobs, but create more local employment opportunities. It is welcome that, as part of the expansion plans, Heathrow has promised to create 5,000 new apprenticeships around the airport, which will create additional skilled employment opportunities for the communities that will benefit from that.

The Airports Commission estimated that the third runway expansion will create 77,000 jobs in the local area by 2030. In that local context, will the Minister set out what private and public sector measures he anticipates will be taken to improve transport links to support the increased footfall through Heathrow? Will he explain how local road and rail infrastructure will be reinforced to cope with the estimated additional capacity? Surrey and Elmbridge, in particular, are already under strain and we need to know in advance how we will deal with any additional congestion.

Beyond the local economic benefits, the longer-term boost to the UK economy and our international competitiveness that will accompany expansion is also highly persuasive. The Airports Commission estimated that the third runway will deliver a £61 billion boost to the British economy. In particular, it will increase connections to the fastest-growing markets in the world, improve our domestic connectivity and greatly expand our capacity for international trade. This is vital for our future prosperity, so expanding Heathrow offers the clearest signals that Britain is open for business, open to the world and, as the Prime Minister vowed, intent on becoming a global leader in free trade.

That is the economic good news, but I also hope that if expansion is delivered properly and carefully—with all the assiduous care that the Minister is well regarded and reputed for—it can also improve the wellbeing of Elmbridge residents, particularly those of us who have to live with the constant noise overhead. On a personal note, as a constituency MP I have been contacted by hundreds upon hundreds of concerned residents. I have hosted a range of public meetings, particularly in Molesey, where there is enormous frustration and concern. I should say that that goes beyond the understandable irritation of middle-class residents who prize a peaceful suburban life.

Let me give an illustration of what that can mean—this example is particularly troubling. At one surgery a constituent came to me whose sleep is so disrupted that he suffers from anxiety attacks, and who eventually even lost his job. We are not talking about dealing with tolerable levels of noise—levels that people can or should reasonably be expected to endure. Many are fearful, not just based on current practice, of what expansion will bring.

James Berry (Kingston and Surbiton) (Con): I share a constituency border with my hon. Friend. He will know that there is not a flightpath on the border, but residents are disturbed by stacking. Does he understand the concerns felt by people at the other end of my constituency—in Kingston and New Malden—about the prospect of a whole new flightpath, where there is not one already, and the disturbance that will cause?

Mr Raab: As ever, my hon. Friend is a doughty champion for his constituents. The stacking issue is very important. I raised it in the Chamber on 2 February and, as he will know, the Transport Secretary gave me a clear set of assurances: I will ask a few questions about the detail of that later. As ever, my hon. Friend is absolutely bang on point. For me, the important thing is that those affected know what they can reasonably expect once a third runway is open for business. That will not only provide residents with a reasonable level of expectation, but mean that they know how to hold Heathrow and the Government to account for the assurances that are being offered, particularly on noise and air quality.

When the draft policy statement was published on 2 February, the Transport Secretary reassured me in the Chamber that there would be binding limits on noise and air quality, independent verification of both, a change of policy away from concentrated flightpaths and changes to the current stacking of flights, which my hon. Friend the Member for Kingston and Surbiton (James Berry) mentioned. Those high-level assurances were warmly received by my constituents and by the communities as a whole, so I think the Minister and the Secretary of State for those. My critical task now, as the constituency MP, is to follow up those high-level assurances and nail down what the specifics will mean in practice and what the tangible impact will be for people living in
Elmbridge. That is why I secured this debate. Although we might not get all the answers today, I hope that the Minister will consider this to be the start of a fruitful dialogue over the months ahead.

As a condition for expansion, we have the Government’s commitment to enforce new and legally binding noise targets on Heathrow. The Government also propose the creation of an independent body to monitor noise levels. I sought that in previous correspondence with the Ministers, so it is very welcome. It helps to build confidence that those high-level assurances will materialise at a more tangible level.

The independent commission on civil aviation noise—ICCAN—will be set up within the Civil Aviation Authority. That should allow it to become operational quickly and enable it to benefit from the expertise of its parent institution. The creation of the body can help reassure my residents, who have had their trust in the airport rather dented by the 2014 flightpath trials and Heathrow’s inability to monitor accurately the volume or trajectory of local flights. I say that notwithstanding my intense engagement with Heathrow at a very high level and its desire to get this right for the local community. However, I suspect that this has clearly not worked to the satisfaction of my community about it, and I always come back to the Minister when he will commit to a policy of dispersal around the expanded airport. There is a clear opportunity to shift away from the rather arbitrary and unfair current policy of concentrated flightpaths and towards a policy of dispersal over a wider geographical area. I have looked at this issue, thought about it and talked to my community about it, and I always come back to the conclusion that it is wrong for a small but significant minority of residents to bear so disproportionately the brunt of flights overhead. The case for a more equitable dispersal is overwhelming.

ICCAN’s credibility will be critical to achieving its objective of holding the airport to account on aircraft noise. I am also reassured that one of its key principles is to help to build up community engagement and understanding. However, it would be useful to get greater clarity and detail on the legally binding noise performance targets. A legally binding noise envelope would be better still, so I urge Transport Ministers to consider that approach, which could allow a reduction in stipulated noise levels over time. What statutory role will ICCAN have in monitoring noise levels, and what penalties will it be able to impose on the airport if noise targets are not met? My constituents will expect an effective verification mechanism in which ICCAN is more than just an advisory body and in which it has teeth to ensure compliance.

I must also raise the plans for future flightpaths around the expanded airport. There is a clear opportunity to shift away from the rather arbitrary and unfair current policy of concentrated flightpaths and towards a policy of dispersal over a wider geographical area. I have looked at this issue, thought about it and talked to my community about it, and I always come back to the conclusion that it is wrong for a small but significant minority of residents to bear so disproportionately the brunt of flights overhead. The case for a more equitable dispersal is overwhelming.

The Government are committed to lowering the overall noise impact, so we should see a reduction of it in Elmbridge. In fact, the Airports Commission concluded that by 2030 fewer people would be affected by noise than at present, because the greater flexibility that additional airport capacity will permit in aircraft operations should allow better management of overall noise impacts. I ask the Minister when he will commit to a policy of dispersal and what that will mean for Elmbridge residents in practical terms.

When I raised noise levels with the Transport Secretary in the Chamber on 2 February, he indicated that the forthcoming changes to the stacking arrangements south-west of London for Heathrow would improve the experience for my local residents. That was a hugely welcome and important positive assurance to take back to my constituents. I would be grateful if the Minister gave us further details on what those changes will be—or, at least, when we will know what they will be—and how they will reduce noise levels for my constituents.

I would like to move beyond noise levels to the important issue of air quality. I am assured by the Civil Aviation Authority that an increase in flights would have no direct impact on air quality in Elmbridge. That is welcome news, but how will that assurance be achieved? What limits on air quality will be put in place to deliver it and how will they be independently verified?

There are also concerns about the indirect effects of the expansion and the third runway on air quality. In particular, the increase in road traffic caused by a growth in the number of passengers travelling to and from the airport risks a negative impact on local air pollution. I note that Heathrow has committed to ensuring that there is no increase in road usage related to the airport and the expansion, and to expanding public transport to mitigate the extra road use. That will be important for reducing the airport’s carbon footprint and ensuring that our existing road network is not put under undue strain from an even greater volume of traffic, as I mentioned earlier.

However, it is vital that there is proper independent verification of that rather high-level and, if I may say so, abstract commitment. Unless the Government have a better means of achieving that—I am open-minded about the means—I suggest, as one possibility, that the Environment Agency be mandated and resourced to monitor the full environmental impact of the expanded airport, including from the additional volume of traffic in surrounding areas such as mine.

James Berry: My hon. Friend is making an excellent speech on behalf of his constituents. Does he agree that the likelihood of a family of four with all their bags using public transport instead of a family car or taxi is minimal, unless there is a massive increase in the quality of public transport in both our constituencies?

Mr Raab: My hon. Friend makes a powerful point in his habitually eloquent and convincing way. If the commitment is to be met, there will need to be a step change in investment in the means of getting people out of their cars. We both live in our constituencies and we know what the traffic is like, particularly around peak times and rush hour. If the commitment is not met, I fear that traffic will come to a standstill. We have to avoid that. That high-level commitment has been made, and I am interested to know what the means of achieving it will be.

As I said, I would like to see the Environment Agency or another body mandated to monitor the full environmental impact of the airport, and not just from the extra flights overhead, but from the additional congestion. That is an aspect of the Heathrow air quality debate that I do not think has been fully addressed in the draft national policy statement. I would be grateful if the Minister at least sought to address it today and if he assured my residents that Heathrow will be held to its promise that expansion will lead to no increase in local road traffic.
The assurances that I seek today, or something equivalent, are sorely needed for the people and communities living in the vicinity of Heathrow. I am certainly not trying to stop or scupper the expansion; I want to work with Heathrow. I pay tribute to its director of external affairs, Nigel Milton, who has been absolutely terrific at engaging. I welcome the positive assurances that I have had from the Transport Secretary and other Ministers. The assurances that I seek on behalf of my community are reasonable and proportionate, and they will be necessary if we are to carry local communities with us as we proceed with this major and vital infrastructure project. With that in mind, I must say that it is regrettable that the Government’s local consultations will not include a public meeting in my constituency, given the problems that we had with the flightpath trials in 2014. I respectfully but firmly urge the Minister to take that point away and to think about the impression created in communities such as mine that already feel that their concerns have not been properly taken on board.

In summary, before I can credibly vote for the expansion of Heathrow, which I am well disposed to do because I support it as a matter of principle, I need to be able to give my constituents a more detailed and concrete reassurance, based on the Government’s proposed mitigation package, that the roads in Elmbridge will not be clogged up; that noise levels will be limited and independently monitored; that we will move towards dispersal of flightpaths and overhaul the current stacking arrangements or find equivalent means to reduce residents’ experience of the disproportionate noise levels currently felt in places such as Molesey and Walton; and that local air quality will not deteriorate as a result of the extra flights or the extra vehicles that may grace our roads, because there will be prescribed and independently monitored limits to ensure that that does not happen.

Those are reasonable, common-sense assurances that I seek on behalf of reasonable constituents with common sense who have constructively expressed their reservations and concerns. The sooner the Government can provide the detail that I seek, the sooner we can provide the answers to my constituents in Elmbridge and give them the reassurances that they need to get behind the expansion of Heathrow airport.

11.18 am

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): I congratulate my hon. Friend the Member for Esher and Walton (Mr Raab) on securing this important debate. I must immediately apologise, because I am covering for my right hon. Friend the Minister of State, Department for Transport. He would have responded to this debate, because it is in his policy area, but he is opening a factory in the west midlands. This is a bit of an away fixture for me, but I will be able to answer some of the questions raised by my hon. Friend, and I can guarantee that I will take them all back to the Department and make sure that he gets the fullest answers that we can provide. All his questions were entirely appropriate for a Member standing up for his constituents.

My hon. Friend asked whether this could be the start of a fruitful dialogue. I can confirm that indeed it can. This debate is certainly timely, because on 2 February my right hon. Friend the Transport Secretary laid before Parliament a draft airports NPS—national policy statement—under the Planning Act 2008 and published an accompanying consultation. The draft NPS sets out the framework against which an application for a development consent order will be judged in respect of a north-west runway at Heathrow airport. Right now we are in that important period of public consultation and parliamentary scrutiny. Before I address the specific issues raised by my hon. Friend, I want to remind the House of the process in which the debate sits.

On 25 October 2016, the Transport Secretary set out in his statement the Government’s preference for a new north-west runway at Heathrow airport. Some of the key points he made do bear repeating. The need for additional capacity is clear and paramount, and that has driven the entire process. A north-west runway at Heathrow airport would provide economic and employment benefits, delivering tens of thousands of additional local jobs by 2030, including, as my hon. Friend the Member for Esher and Walton said, in the area of Elmbridge. It would also provide new global connections and better connections for domestic customers, new capacity for freight imports and exports, and reduce fares for passengers.

The benefits of the scheme would be felt by businesses and passengers throughout the UK. Therefore, while we are dealing with an issue that is acutely local for my hon. Friend and of great importance for the south-east of the United Kingdom, it has relevance for the entire United Kingdom. For example, my constituency is at least 220 miles from my hon. Friend’s, but its chamber of commerce came out in support of the application, recognising its impact for the UK as a whole. There is a further point: in our post-Brexit world, a new north-west runway sends out a clear message that Britain is open for business.

The publication of the draft NPS was a significant milestone. It sets out the case for additional capacity as well as the reasons why a north-west runway at Heathrow has been selected as the Government’s preferred scheme. It specifies the requirements that the promoter will need to meet in order to gain development consent. Those include important requirements on air quality, noise, carbon and community compensation.

Last month, we also published an appraisal of sustainability for the draft NPS, which assesses the potential economic, social and environmental impacts of the proposed policy in the draft NPS. It incorporated a habitats regulations assessment, equalities assessment, and health impact assessment, and it includes analysis of the reasonable alternatives to the preferred scheme: the Heathrow extended northern runway and the Gatwick second runway.

In the light of the issues we have been discussing, it is important to note that, in parallel to the draft NPS consultation, we are also consulting on UK airspace policy, which impacts on the entire country. The airspace proposal aims to strike a balance between unlocking the economic and social benefits of modernising airspace and addressing the local impacts of aviation, which is a hard balance to achieve. People around an airport are split because the economic opportunity benefits are significant in employment provided, but there can also be an impact on quality of life. In particular, in the
consultation there is the creation of an independent commission on civil aviation noise, which is required to help to build trust in how noise is taken into account when airspace decisions are made. The policy principles set out in the airspace policy consultation will inform decisions taken later in the planning process for a north-west runway at Heathrow, including how local communities can have their say on airspace matters and how their impacts are taken into account.

The Planning Act 2008 places a requirement on the Transport Secretary to consult appropriately on a draft NPS and publicise it. There has been a significant number of events. My hon. Friend’s point about a consultation in Elmbridge was well made and has been noted. There have been 20 local and 12 national information events, which have provided an opportunity for residents and people who are affected to contribute their opinions. We have had 1.5 million leaflets delivered to households and businesses in the areas, and there has also been advertising on radio, digital and social media channels and print media.

Scrutiny is taking place outside the House, and scrutiny is taking place within the House, too. At the same time as the consultation period, a period of parliamentary scrutiny has commenced, which will end at the start of summer recess 2017. Members will be aware that the Select Committee on Transport has been nominated to provide formal scrutiny of the draft NPS. To assist Members of both Houses, there will be a draft NPS parliamentary information event on 3 May. Following consultation and parliamentary scrutiny, we expect to lay a final airports NPS before Parliament for debate and a vote in the House by winter 2017-18. If the House approves the airports NPS, the Transport Secretary will decide whether to designate it. If the NPS is designated, the airport promoter can then submit its application for a development consent order. That is the process we will go through.

I will address some of the points raised by my hon. Friend. I have got and will take back the message about Elmbridge. At least one event was arranged in each local authority area that either borders the airport or falls within an indicative 54dB noise contour as assessed by the Airports Commission. Those were the criteria used for selecting where events took place, but I have received his message and will take that further for him.

Noise is a big factor, and my hon. Friend raised that powerfully on a couple of occasions. We recognise that aircraft noise is a significant concern for communities close to airports or under flightpaths. That is why the draft NPS requires an applicant for development consent to demonstrate that measures will be in place to take effective action to address the noise impacts of the scheme. Such measures have to be finalised through the planning process, or the exercise of statutory powers, and are subject to public consultation. The draft NPS does not exclude such measures as a 6.5 hour ban on scheduled night flights, but the whole point about noise was well made and I will ensure that my hon. Friend receives detailed answers to his specific questions.

Night flights are when noise is at its most acute. The Government understand that point and recognise that they are perhaps the least acceptable form of aircraft noise. We have recently consulted on the restrictions for a new night flights regime, which will begin in October. Our proposals seek to ensure that the benefits of night flights are appropriately balanced with the impacts that they have on local communities. The phrase my hon. Friend used was “equitable dispersal”. I have noted that and will take that back and follow through on that.

One of the proposals we are making is to maintain the current movement limits at Heathrow and then reduce the amount of noise the airport will be allowed to make. We are currently analysing the consultation responses and will announce a decision later this year. Again, the draft NPS sets out the Government’s expectation for a 6.5 hour ban on scheduled night flights at an expanded Heathrow.

Access points have to be a consideration. That was raised by both my hon. Friend and my hon. Friend the Member for Kingston and Surbiton (James Berry). It is clearly a major concern. As part of the proposals for Heathrow, we are looking at how to improve public transport access to the airport. The proposed Southern rail access scheme has the potential to greatly improve access to Heathrow airport from Surrey and Hampshire and from the South West Trains network. That could include, for example, direct trains to Heathrow from Weybridge or Woking. Although that scheme is still at an early stage of development, we are looking at options to maximise the benefits for both airport and non-airport users. It is clearly appropriate that access to Heathrow airport is a key part of all of the decision making because of the impact on quality of life from traffic and the impact on air quality.

It is fair to note that the Government are putting significant emphasis on improving the emissions from our vehicle fleet. Air quality is shooting up the political agenda, which is a very positive thing. In this Parliament we are committing £600 million to encourage the use of, for example, electric vehicles. That is a positive agenda, which is at its most acute where we see interventions that will increase traffic.

I congratulate my hon. Friend the Member for Esher and Walton again on securing the debate. It is the start of dialogue. The consultation to which I have referred closes on 25 May. There is a drop-in event on 3 May, which is taking place in the House of Commons terrace pavilion between 1.30 pm and 4 pm. The Transport Secretary is attending and will address the consultation at 1.30 pm. I am sure it will attract a lot of interest, but I hope to see my hon. Friend at that event.

Question put and agreed to.

11.30 am

Sitting suspended.
Universal Credit

ANDREW ROSINDELL in the Chair

2.30 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered the roll-out of universal credit.

It is a pleasure to serve under your chairmanship this afternoon, Mr Rosindell, not least because I have been trying to secure a debate on this issue for several weeks, if not months, due to the sheer volume of universal credit-related problems that have been raised with me by constituents. It is no surprise that there is much interest in this issue from parliamentary colleagues; I thank all of them for coming along to the debate.

Before I expose these issues in more detail, I thought it would be helpful to set out some of the context of today’s debate. As all hon. Members are aware, universal credit is a new benefit that is being introduced to replace the means-tested social security benefits and tax credits for working-age individuals and families, including working tax credit, child tax credit, income-based jobseeker’s allowance, income support, income-related employment and support allowance, and housing benefit.

By using real-time information on claimants’ circumstances, the aim of universal credit, which I am sure the Minister will also set out, according to the Library’s very helpful briefing note for this debate, is “to simplify and streamline the benefits system for claimants and administrators, to improve work incentives, to tackle poverty among low income families, and to reduce the scope for fraud and error.”

Following years of repeated delays and false starts, the infamous reset in 2013 after the Major Projects Authority told the Government to go back to the drawing board, and concerns expressed by the National Audit Office that delivery of universal credit has been beset by “weak management, ineffective control and poor governance”, this new benefit is now very gradually and very painfully being rolled out across the country.

Indeed, as the Library briefing note also highlights, since the 2013 reset the Department for Work and Pensions has been developing and rolling out universal credit using a twin-track approach. The briefing note states: “This involves rolling out Universal Credit using IT systems developed prior to the 2013 reset (the ‘Live Service’) while, simultaneously, DWP develops the Digital Service (now known as the ‘Full Service’) from which Universal Credit will eventually be operated.”

I hope that everyone is still following me.

As the Library briefing note states, this means that since spring 2016, “Universal Credit is now available in all Jobcentres across Great Britain, but in most areas is only available for new claims from people with relatively simple circumstances... single unemployed people (or people with very low earnings) satisfying the ‘gateway conditions’.”

In a small but increasing number of areas that have full service universal credit, all new eligible claimants will receive universal credit, as will existing claimants of legacy benefits who report a change in their circumstances, which results in them being naturally migrated to universal credit. Just to clarify, I am using the DWP’s own terminology here.

Following the reshaping of the next phase of universal credit’s roll-out, which was announced in a written statement on 20 July last year, the Secretary of State for Work and Pensions confirmed that the DWP would continue the roll-out of full service universal credit to “five Jobcentres a month to June 2017, expanding to 30 in July 2017. Following a break over the summer the Department will scale up to 55 Jobcentres per month between October and December 2017. From February 2018 this will increase to 65 per month, finishing with the final 57 Jobcentres in September 2018.”

As a consequence, universal credit should be available across the country to all new claimants and existing claimants with changed circumstances by September 2018. The final stage of the roll-out of universal credit, the managed migration of existing benefit claimants with no change in their circumstances, will commence in July 2019, to be completed by March 2022—some five years later than the original target.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing this debate. Does she agree that part of the problem appears to be that the Government and the Department did not take sufficient account of the complexity of the needs of many of the claimants initially? That seems to be why the problem has escalated far beyond what we thought it was even three or four years ago.

Catherine McKinnell: The hon. Gentleman raises an important point and one that I will go on to make in some detail. The Government were warned that it would not be straightforward.

I mentioned the timetable because it is very complicated. Everyone would like confirmation from the Minister when he responds to the debate about how it now fits alongside the proposals that the Department for Work and Pensions published in January to close an estimated one in 10 jobcentres and to merge or co-locate others. It is clear that the roll-out of universal credit is a hugely complex task and that hard-working jobcentre staff are being placed in an incredibly challenging situation. The Library briefing note states that it involves “not simply the creation of a new benefit but development of entirely new administrative systems to support it. This includes development of the Digital Service, the online IT system via which claimants and DWP will manage awards, and training staff to administer a new conditionality and sanctions regime that imposes requirements on in-work as well as out-of-work claimants.”

Because universal credit requires a broader span of people to look for work than is the case with legacy benefits, for example by including those in receipt of housing benefit or child tax credit and the partners of universal credit claimants, there has been a marked effect on the claimant count in areas that have full service universal credit. There was a 25.5% increase in the claimant count in full service areas in the year to January 2017, compared with an increase of 0.1% across the UK as a whole.

There are numerous concerns about the impact of universal credit on existing claimants, particularly families with disabled children whose caring responsibilities prevent
them from working. The charity Contact a Family estimates that such families could be up to £1,600 a year worse off after being transferred to universal credit.

Andrew Rosindell (in the Chair): There is a Division, so we will return in 15 minutes.

2.37 pm
Sitting suspended.

3.21 pm
Sitting adjourned without Question put (Standing Order No. 10(14) in accordance with security advice.
Westminster Hall

Thursday 23 March 2017

[GRAHAM STRINGER in the Chair]

Syrian Refugee Crisis

1.30 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op):

I beg to move.


It is a pleasure to serve under your chairmanship, Mr Stringer. In January last year, the International Development Committee released our first report of this Parliament, which focused on the refugee crisis that has arisen from the conflict in Syria. On 15 March, the Syrian conflict marked its sixth anniversary. The scale of the conflict has been well documented: it is enormous, in terms of both the humanitarian challenge and the number of lives lost. The Syrian Observatory for Human Rights estimates that since the start of the conflict, 450,000 people have lost their lives. Last year, the United Nations identified 13.5 million Syrians requiring humanitarian assistance, almost half of whom—6 million—are internally displaced in Syria. In January 2017, the United Nations High Commissioner for Refugees estimated that there are 4.8 million registered refugees.

I refer to my relevant entry in the Register of Members’ Financial Interests: in 2015, I visited Jordan with Oxfam. A third of Jordan’s population are refugees. When I visited the Zaatari refugee camp alongside my right hon. Friend the Member for Leeds Central (Hilary Benn), we heard the same message repeatedly from the refugees: all they want is the opportunity to return home to a peaceful Syria.

We have seen six years of repeated atrocities. Let me highlight two examples. Last September, the Syrian Government bombed a UN aid convoy, killing 14 aid workers. The convoy had been organised by the United Nations and the Syrian Arab Red Crescent, and was carrying food, medicine and other humanitarian supplies destined for families in areas of the country controlled by the opposition. A UN report released earlier this month said that the attack was deliberate, meticulously planned and ruthlessly carried out. Then, of course, there was the long siege of Aleppo, which the same United Nations report called a war crime. It was reported that the Syrian Government and their allies were carrying out attacks on areas packed with civilians while the city faced chronic shortages of food, medicine and fuel. We have seen all those events unfold in real time on our television screens. We saw the shocking image of Omran Daqneesh, the five-year-old Syrian boy sitting in the back of an ambulance. We need to work together to bring an end to this conflict as soon as possible.

As with all conflicts, there are many parties acting for good in both Syria and the surrounding region. I want to draw particular attention to and praise the work of the White Helmets—the 3,000 members of the Syria Civil Defence—who work tirelessly to protect civilians caught up in the conflict and are often the first on the scene after bombings. We should also praise the work of the various non-governmental organisations and United Nations missions that deliver aid on the ground in some of the most challenging conditions ever seen.

Our Committee’s report made a number of recommendations to the Government, and principally to the Department for International Development, including on increasing the opportunities for cash-based assistance to the region, identifying and developing opportunities for investment and job creation in Jordan, ensuring that vulnerable refugees outside camps receive appropriate levels of support, and pressing the Lebanese Government to resume the registration process for new refugees. We urged the Government to come to a quick decision on Save the Children’s proposal that 3,000 unaccompanied children from Europe be resettled in this country.

DFID has led the way with its efforts to alleviate the suffering and the ongoing humanitarian crisis that still grips Syria and the surrounding region. The UK plays an active role in encouraging other countries to pledge money and resources to the region. A year ago, in February 2016, the Government hosted the “Supporting Syria and the Region” conference, in which nearly $6 billion was pledged to help the UN co-ordinated appeals. An additional $5.4 billion was pledged up until 2020, bringing the total to more than $11 billion. That was followed up with an event this January, co-hosted by Finland and the United Nations, which launched a further appeal for $8 billion to relieve the humanitarian crisis. I would be grateful if the Minister could tell us what progress has been made towards achieving that, and what the United Kingdom’s contribution is.

In our report, we made it clear that we welcome DFID’s cash-based assistance efforts in the region and want them developed further. Many refugees exhaust their savings just to get out of the country, and many are heavily in debt. That is exacerbated by the fact that they are often not allowed to work in the country in which they have refuge. Cash-based assistance has proven to be a value-for-money approach to humanitarian assistance. I welcome the fact that DFID has already distributed nearly 1 million vouchers in the region.

Job creation, investment and economic growth are vital factors in ensuring that refugees in the countries around Syria are able to regain a sense of normality when the conflict eventually ends. During the Syria conference in London last year, Jordan, Turkey and Lebanon—the main recipient countries of refugees—promised to open up their economies to help generate job growth, for both refugees and, very importantly, their host communities. I want to put on the record that the Jordanian Government and people have responded particularly positively to that. Syrian refugees are now able to apply for work permits in Jordan in sectors of the economy in which Jordanian participation is low—for example, construction, agriculture and other service industries. Those changes have allowed roughly 37,000 Syrian refugees to gain employment in Jordan—up from 4,000 at the time of the London conference. Jordan has also gained preferential access to European Union markets, which will give designated development zones the potential to provide more than 100,000 jobs to both Jordanians and Syrians in the future.

The United Kingdom is the second largest bilateral donor to Syria and the surrounding countries. As a result of the funding that humanitarian organisations
have received, we are able to keep refugees close to home, so that when the conflict comes to an end they can return to Syria. Providing basic humanitarian assistance is vital, but it is not enough. There needs to be a sense of hope for a better future.

The UK Government, and DFID in particular, have taken some very positive steps to ensure that the humanitarian situation in Syria and the surrounding countries is well managed and well funded, but there are some areas where our Committee feels DFID could and should do more. In our report, we recommended that the Department make use of the Commonwealth Development Corporation’s expertise in that regard. We believe that the Government already have a good story to tell on job creation and investment, particularly in Jordan, but more could be done to provide sustainable job opportunities for both refugees and host communities if CDC’s expertise were engaged. Legislation has now gone through Parliament to increase significantly the amount of capital available to CDC. I urge the Government to look again at the question of whether CDC can invest in at least some economies in that region, particularly in the run-up to the forthcoming publication of the corporation’s five-year strategy.

Other outstanding issues were addressed in our report. The Syrian conflict has disproportionately affected certain minority groups, especially ethnic and religious minorities and disabled people. The best solution for them is often resettlement in other parts of the world, but for reasons of stigma or fear of persecution, many do not register, so they fall through the net. Only 23% of Syrian refugees live in formal camps, and there are no such camps for them in Lebanon or Egypt. There is the tragic situation in the berm, the area between Jordan and Syria, where a large number of refugees live, in very often desperate circumstances, in a state of limbo, unable to get out.

As the conflict has worn on, more people have sought out support from the UN High Commissioner for Refugees. I am keen to hear from the Minister what the Government are doing with UNHCR and civil society to ensure that support reaches everyone who needs it, whether they are registered or not. Registration is an important step, but more needs to be done to ensure that all those eligible for resettlement, either here in the UK or elsewhere, are granted it.

On 9 February, The Independent reported that the Home Office wanted a “temporary limit” on requests from people with mobility problems and learning disabilities because of a lack of “suitable reception capacity” for them in the UK. Will the Minister include in his response the Government’s position on the temporary limit, and will he say whether they are planning to lift it? I simply make the point that the most vulnerable are those who need our support the most.

There is also long-standing concern about a policy in Lebanon that has inhibited UNHCR’s ability to register new refugees in that country. DFID has allocated £46 million to UNHCR’s efforts in Lebanon, but I am concerned that the policy may prevent people from accessing basic services. The Lebanese Government say that there are more than 500,000 unregistered Syrian refugees in Lebanon, and that more than two thirds of the Syrian children born in Lebanon have not even had their births registered. Will the Minister update us on that Lebanese policy? Is it still in place, and if so, what is the United Kingdom doing to work with the Lebanese Government to make progress, so that, ideally, all refugees in Lebanon are registered?

Last December, the UK Government co-sponsored a UN General Assembly motion that sought to establish an independent mechanism to assist in bringing to justice those responsible for the most serious crimes in Syria. The UK has also worked closely with the French and American Governments on a motion to hold Daesh and the Assad regime to account for their use of chemical weapons. Unfortunately, the motion was vetoed by Russia and China. Will the Minister update the House on that, and in particular on the potential for an independent UN mechanism that would enable us to make progress in bringing to justice all those who have used illegal weapons in Syria?

The UK clearly has an important role to play in diplomatic efforts to bring an end to the Syrian conflict. It is promising to see that the UN-mediated political talks between the Syrian parties resumed in Geneva last month, and the next round is due to take place later this month. There have been calls for the 30 December ceasefire to be strengthened, so will the Minister tell us what role the UK will play in ensuring that the ceasefire holds and that we can make progress through diplomatic means?

The final issue from the report has probably attracted the most attention and public debate, and that is the Save the Children recommendation on 3,000 unaccompanied children. Last year, before the Government had an opportunity to respond to our report, Lord Dubs put forward an amendment to the Immigration Bill that would have legally bound us to resettle 3,000 unaccompanied children from Europe. Ahead of the vote, the Government announced that they would resettle 3,000 vulnerable people from the middle east and north Africa over the course of the Parliament. Those people would not solely be unaccompanied children, but that was nevertheless very welcome.

When the Bill became an Act, it stated that the number of children to be resettled “shall be determined by the Government”. By September last year, no child had been brought to the UK as a result of the provision, which is still known as the Dubs amendment. By November, according to what the Home Office’s Minister for Immigration told the International Development Committee, about 140 children had been resettled, including 80 from France. We welcomed the progress. Last month, however, the Government announced that a total of 350 children would be resettled over the course of the Parliament, with 200 already in the UK. The Immigration Minister told the House in a written statement that the 350 number met “the intention and spirit behind the provision”.

That figure is of course a fraction of the 3,000 proposed by Save the Children, a figure that was based on an estimate of the UK’s fair share of the 30,000 unaccompanied children who had made their way to Europe by 2015—and estimates suggest that the figure has since trebled. The Government can do more to ensure that children who have made the journey to Europe alone are protected. In 2014, an estimated 13,000 unaccompanied children arrived just in Italy, about 4,000 of whom have gone missing. There is real concern that some of those children
might have become the victims of people traffickers and been forced into prostitution, child labour or the drugs trade. We cannot stand by while that happens on our doorstep.

Meanwhile, in the past two months, President Trump has signed two executive orders that prevent Syrian refugees from claiming refuge in the United States. The US has a positive and progressive track record of resettling refugees from many conflicts around the world; President Trump has broken with that. He said that European countries had made “a tremendous mistake” by admitting millions of refugees from Syria and other middle eastern “trouble spots”. How can giving people refuge from conflicts that are destroying their country be described by the President of the United States as a mistake? President Trump’s executive order does nothing but further complicate the humanitarian situation in the region. It is vital that the United Kingdom does not follow the Trump Administration’s lead.

Paul Scully (Sutton and Cheam) (Con): Would the hon. Gentleman, like me, welcome clarification of whether the Dubs amendment scheme is in fact closed? There seems to be uncertainty about that. Will the Government welcome any additional contributions offered by local authorities that feel that they may have more capacity in future?

Stephen Twigg: The hon. Gentleman is a relatively new member of the International Development Committee but already an active and committed one. I thank him for his work on it. I absolutely agree with him. If the Minister could respond to that point, I would be delighted. I agree that it is not entirely clear whether the scheme has been completely closed. I hope that it has not, and that there will be further opportunities for unaccompanied children to be resettled, beyond the 350 to which the Government have already committed.

I am grateful to the Liaison Committee for the opportunity to debate our report and the Government response. I thank fellow members of the International Development Committee for their work—a number of members from all parties are present for the debate—and I put on record my appreciation of the fantastic team of staff who support the work of the Committee. I look forward to listening to all contributions to the debate, which—this is my final point—we are holding in the context of great public and media concern about, and scrutiny of, international aid and development. I and other members of the Committee from different parties have argued consistently that those of us who believe in UK aid, and who defend the 0.7% target and DFID as a cornerstone of our foreign policy, have a particular responsibility to demonstrate that aid is being delivered and makes a real difference to the most vulnerable—that we truly have value for money.

In her statement to the House last week on the counter-Daesh strategy, the Secretary of State for International Development said that our work in Syria and the region “shows Britain at its best and exactly why we have UK aid. It shows not only how the British Government lead across the world, but how we influence security and stabilisation”—[Official Report, 15 March 2017; Vol. 623, c. 448.]

in many of these areas. I echo her remarks; she is absolutely right. The investment that this country has made in aid to Syria and its neighbouring countries in recent years is one of the finest examples of how humanitarian aid can make a real difference in a crisis. Our aid is crucial, but it is equally important that we redouble our efforts to find a diplomatic solution, so that the people of Syria can at last have the peace and justice that they deserve.

1.50 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer, and a pleasure, as always, to follow the hon. Member for Liverpool, West Derby (Stephen Twigg), who chairs our International Development Committee and gave an excellent and thorough speech. I thank Syria Relief, Islamic Relief and Save the Children, which gave evidence to the Committee and provided vital information about the impact of our aid to ensure that we were up to speed with what was happening on the ground.

I will not reiterate all the issues that the Chair of the Committee so eloquently raised, but I shall highlight several issues that came to the fore during our visit to Lebanon and Jordan. What are the Government doing about child labour in Lebanon? That issue was raised with us. I understand that the registration process means that families cannot gain employment, so children as young as six are sent out to work for as long as 12 hours for only a few dollars a day. That is basically child labour, abuse and exploitation. What is happening there? What are we doing to address that very concerning issue? Those children are traumatised and are being exploited. We should take that situation seriously and highlight it to the Government to ensure that they are aware of it and that measures are taken to try to ensure that children are not exploited in that manner.

The hon. Gentleman raised the issue of the berm. What is happening there? When the Committee visited Jordan and Lebanon, we were not able to visit the berm, due to security issues. However, we heard about the absolutely desperate situations of people trapped there. They are trapped alongside extremists and encouraged to join extremist groups. They have opportunities of the most exploitative nature to do anything else with their lives and are absolutely desperate for money, so they are forced into situations in which they are exploited.

What is happening with the berm? When I raised the issue with Ministers we spoke to there, they downplayed and minimised it, which ran counter to the information that aid agencies on the ground gave us. We need to highlight and to press the issue in our liaison with the Foreign and Commonwealth Office and to do all we can to ensure that people in the berm have not only aid but the opportunity to leave that area and access refugee camps, where they and their children will be secure and their children can receive education, which we help to provide.

Will the Minister also comment on mental health support for children? When the Committee visited the region, we saw children who had been traumatised by their journeys, the atrocities they had witnessed and having lost family members. I am sure that some of them could not even speak. Fortunately, they had some mental health support. How do we contribute to mental health support to ensure that those children recover as much as possible, start to lead their childhoods again and are enabled, so far as possible, to go on and achieve their full potential?
I was also troubled by the lack of electricity at the al-Azraq camp, which we visited. I was told when I raised the issue, “Well, that’s just about to happen,” but when I spoke to aid agencies, they said, “Yes, but for months lots of visitors have come and that’s what everyone has been told.” What is happening in that regard? Is any electricity available in that camp? How are we supporting the basic needs of refugees?

I am also concerned about the plight of Christians in the area. We heard evidence that Christians were frightened to go to camps where they would be in the minority, so they tended to live outside camps, in quite desperate situations with little access to aid. What is the Government’s strategy or policy? What do they hope to do to secure aid and protection for minority groups such as the Christians we heard about?

When we were in Lebanon, we heard about Palestinian camps. We must remember that these communities have hosted refugees for years, and we should commend the work that they have done. However, some quite distressing issues were raised about the services in the Palestinian camps. I know that we provide support in that regard. One crucial issue—I was tremendously upset when I heard about this—is that Palestinian people are electrocuted almost every other week because there is no appropriate electricity system. When it rains, people are electrocuted by live wires. We have been putting money into those camps for many years, so why are such basic things not in place? Surely, in this day and age, that should not be happening.

On the issue of vulnerable children and the Dubs scheme, will the UK consider taking more children than the 350 they announced? The hon. Member for Liverpool, West Derby stated that some councils have come forward to say that there may be additional capacity. Surely, if that is the case, we can work with councils to do all we can to ensure that as many children as possible are safe in the UK. The Independent reported that the Government have stopped taking disabled children through the MENA vulnerable children resettlement scheme. What is happening? How many disabled children have been relocated to the United Kingdom? I asked the Home Secretary that question on the Floor of the House more than a month ago and was told that, as chair of the all-party parliamentary group on disability, I would receive a written response, but I still have not received any response and I remain very concerned. Disabled children are some of the most vulnerable children in this situation, and we should do all we can to identify their whereabouts and ensure that, wherever possible, we offer them refuge.

What liaison is taking place among United Kingdom Government Departments about Syria’s disappeared? Evidence of human rights abuses continues to mount against the regime of President Assad. What do we know about the underground network of detention centres where reportedly men, women and children have remained missing over a number of years, with families hearing little or no news as to what has become of them? In terms of diplomatic efforts, what are we doing to ensure that, where human rights abuses are taking place, we are directly addressing those with the appropriate authorities and Ministers?

Our aid has had a tremendous impact on the people it reaches; I have seen that first hand. It is true that our compassion sets us apart in terms of our leadership in this field, but much more can be done, particularly for vulnerable children: those who may be on their own in Europe without parents, who have suffered trauma and long journeys, who are going missing and who are being exploited and abused. I would like the Government to try to address those issues compassionately and show the leadership those people very much deserve.
trailing drone delivery of medicine and aid in Nepal and Tanzania, so what discussions is the Minister having with the Ministry of Defence, the FCO and international partners on that? If we can drop bombs, surely we can find a way to drop aid.

I will also ask the Minister about support for NGOs on the ground and faith-based organisations in particular, who are often best placed to deliver aid. If it is difficult for the multilateral agencies to get through, what support can we provide for organisations on the ground? A big element of the counter-Daesh activity is cutting off finance and supply and using disruptive technological interventions. Can the reverse be true: is there a way of making finance and resources available under the radar? It would be interesting to hear about that.

In the wider region, NGOs, civil society organisations and faith-based organisations in particular have a role in the border countries, where much of the immediate displacement has occurred. Again, it would be useful to hear about support. My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) made important points about Christian and more general religious persecution in the area.

The Government are rightly a significant contributor to support in the formal refugee camps, but support outwith those camps, particularly in Lebanon, is also important. The report touches on the concept of cash transfers, which are a very—and increasingly—important method across development interventions. That shows respect for the individual’s dignity and empowers people in an often otherwise oppressed situation. The Government should be commended for trying to press ahead with that. It would be interesting to hear any reflections the Minister can provide on that. Provision of education is also crucial in these scenarios. Otherwise, there is a risk of future generations being radicalised or simply missing their life chances and opportunities. As the crisis becomes increasingly protracted, there is the risk of not just one but more than one generation growing up like that.

I draw the Minister’s and the House’s attention to my early-day motion 1054 on the work of a former constituent of mine and his organisation Journeys of Hope, or Mishwar Amal, which supports refugees in Lebanon. It provides diverse opportunities, including travel, expeditions and entertainment for young people in particular in the camps who have been displaced from Syria and indeed Palestine. That is also indicative of the incredible response and generosity of people in the UK to the crisis. He was a constituent of mine, as I said, but he uprooted and has now made a home there, running that fantastic initiative.

There is also a role for the CDC, as the report says and as the Chair mentioned in his speech. The opportunity is there for the Government to live up to the potential they spoke of the CDC having when increased funding was asked for during the passage of the Commonwealth Development Corporation Act 2017.

On the impact of the refugee crisis here, Scotland and my city of Glasgow have been proud to welcome refugees from Syria and indeed around the world. However, I echo the comments of the earlier speakers: 20,000 over five years from the camps is not a fair share, and 350 under Dubs is certainly not. The issue of unaccompanied children is of huge concern to the general public, to constituents of mine and I suspect to all of us. There have been clear indications from local authorities that they are willing to take more children. The time is still there to put that right, do the right thing, reopen the scheme and ensure that more children can be safely relocated. I was interested to hear—I had not heard—that the number of unaccompanied children has potentially trebled since 2015. That is incredibly worrying, and that calls on us to do more.

Questions are raised by the Department, the Committee and me about the spend of official development assistance by Departments other than the Department for International Development. The resettlement of refugees is a legitimate way to use ODA, and I think none of us would disapprove if some of the money was going to that and that allowed the Home Office to increase the number of people it was willing to take.

There must be support for those refugees when they come here. I notice that the report speaks about English for speakers of other languages, which is important. I have encountered difficulties on that issue in my constituency. The voluntary organisations that provide that service are under pressure because there is so much demand, and that has an impact on the ability of refugees to access services. That is something that some of us encounter when we are trying to deal with refugees in our constituency surgeries.

My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow spoke about the need for mental healthcare particularly in the refugee camps, but it is also true for people arriving here. I have met severely traumatised refugees who have come here to make their home but who still live with the scars of the dreadful things that they have witnessed. We have to ensure that support is there, both for them and the people who can provide the right kind of support.

The situation is a tragedy and is increasingly protracted and long term; as the Committee Chair said, we are past the sixth anniversary. My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow gave the example of electricity in the camps. There are lessons to be learned even from the initial response to the crisis and from how we continue to respond. There should be no excuse for not learning the kind of lessons outlined in the report and modifying and adapting our responses as appropriate. I welcome the Committee’s work on this and hope it will continue to monitor and scrutinise the situation. I look forward to the Minister’s response.

2.10 pm

Imran Hussain (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. May I say—this is the first time I have had the opportunity to do so in an official capacity—that I am sure all hon. Members will join me in offering our sincere condolences to the family and friends of victims of the attack yesterday afternoon? We offer our greatest thanks to PC Keith Palmer, who fell in the line of duty yesterday, and to the emergency services both in London and across the UK, who go to work every day to keep all of us safe. They are people we must remember in our thoughts and prayers. The business of the House continues as normal today. We are sitting and debating the issues that matter to us and to our constituents, which shows that we will not be beaten.

I applaud the Chair of the International Development Committee, my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg), who has brought this
important debate before us. He made some important and pertinent points in what I thought was a very passionate speech. In particular, he referred to the six years of atrocities in the region, the long siege of Aleppo, the attacking of civilians and the real shortage of food, medicine and immediate emergency medical supplies. I align myself with his praise for all the NGOs, voluntary organisations and many others that do fantastic work on the ground in some of the most difficult conditions. He also rightly made the point about the Commonwealth Development Corporation, which has received increased money to spend. The region is clearly in need of investment, and my hon. Friend is right that we should do more to support the economies there. I am also grateful for the contribution of the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), who raised one or two very important points, particularly on the children's mental health services that we provide. That is a massively important point that can be so easily overlooked in the totality of the situation. I am sure the Minister will inform us of how that particular issue is being looked at. The hon. Lady also made an important point about the protection of minority groups in the region, which is a worry. We have all seen reports showing that more needs to be done on that.

The Opposition broadly welcome DFID's commitment to supporting refugees caught in the Syrian emergency. It is extremely commendable that it is taking more than its fair share of the responsibility for the situation, with significant levels of funding. After all, the UK has so far committed more than £2.3 billion to the emergency, the majority of which has gone to supporting countries in the region. I also express my support for the assistance that DFID is providing to in-region countries. As has been pointed out many times, it is far more economical to support refugees residing in the region, allowing us to spread more funding to those who desperately need it. That is not to say that more could not be done to support refugees in Europe; I will come on to that shortly.

While we are broadly supportive of DFID's work in the region to help Syrian refugees fleeing the brutal conflict, there are questions about that work that need answering. First, despite DFID's exemplary funding, there is still a significant funding shortfall in the Syrian emergency, with just 3% of the needed funds raised as of February. About £4.5 billion is required for the UNHCR to properly meet its regional objectives and assist almost 5 million registered and the many unregistered refugees, so that low figure is particularly concerning. The Government must therefore redouble their commitment in negotiations, discussions and diplomacy to bring weight to bear on other nations to step up to the plate and fulfil their obligation to spend 0.7% of their GDP on development. That would ensure that the UNHCR and other emergency programmes in and around Syria are properly and adequately funded to do their job.

I also find interesting the way in which funding is being distributed to refugees across the region. While not always popular, cash programming has proven to have considerable benefits for both refugees and their host countries, as has been stated. For every £1 given to refugees in Lebanon, for example, £2.13 is generated in the local economy, so there is a clear advantage in using cash programming as part of a wider development strategy while also aiding refugees. I will be grateful if the Minister can inform me whether it remains a measure used by his Department, and what the Department is doing to ensure that it is joined up with the broader development strategy in the region.

As I have said, helping refugees in the region is the most economical way of supporting them. It also creates the least upheaval for the refugees involved, because a common language is often spoken, many have either friends or family nearby and it is often in their best interests. However, as the conflict in Syria continues—it is now in its sixth year—there is a danger that countries in the region that are supporting refugees, such as Lebanon, Jordan and Egypt, will become saturated, threatening refugees' wellbeing.

A lack of legal access to work often means that refugees are forced into informal sector jobs that do little to help them out of poverty, with low pay, insecure working arrangements and poor employment conditions. It is important to help to get them legal access to work, and to foster economic growth, which will provide jobs. That is particularly pressing as the conflict has no end in sight. We must ensure that refugees are suitably relocated for the medium to long term. I will therefore be grateful if the Minister updates us on DFID's work on economic investment in Lebanon, Jordan and Egypt. As I stated earlier, I believe the CDC is an appropriate vehicle to provide economic investment in the region.

As all hon. Members who have spoken have stated, we must consider the situation of unaccompanied children, who have seen far too much of the world and its tragedies at far too young an age. The UK has a duty to accept our fair share of those vulnerable children. The Government originally committed to resettle 3,000 vulnerable children and family members from the region, which I believe was widely supported by all, by accepting the Dubs amendment. However, I share the deep concerns raised today about their recent backtrack on that commitment and the capping of the number to be resettled at 350. For the many reasons that have been stated, I believe that we must overturn that and accept vulnerable children who are fleeing conflict.

Alex Chalk (Cheltenham) (Con): Does the hon. Gentleman agree that while there is suffering elsewhere, the middle east is the true epicentre of suffering? Does he welcome, as I do, the effort of the British Government to take 3,000 unaccompanied children from the region—an effort that is not necessarily matched by our international counterparts?

Imran Hussain: Of course I welcome that, and it is a point well made. However, I hope the hon. Gentleman will agree that there are at least that many unaccompanied children in Europe who are at serious risk. Some have already been exploited and many are at serious risk of exploitation through criminally organised gangs. I believe we have an absolute duty to those children. To say we will accept a very small number is not the right way.

Paul Scully: Does the hon. Gentleman agree that it is important to address capacity? If people and children can be based and exploited in a developed, peaceful country such as France, things could happen over here if we do not organise ourselves in the UK. We need to ensure they have the best care, and we can only do that...
by addressing capacity, which is what the Dubs amendment was actually agreed and voted on in this House was there to do.

Imran Hussain: I absolutely agree that capacity is important. Whether or not we have the capacity is something we could talk about further. I certainly believe we have more capacity than the cap that has been put in place. The hon. Gentleman raised the point earlier that some local authorities are coming forward to say they believe they have more capacity, but he makes a generally valid point. My strong view is that if we do not reverse the cap and address this issue, history will not forgive us.

In conclusion, we broadly support the work that DFID is doing in Syria and the region to resettle and support refugees. The Government are providing a substantial level of funding and ensuring that refugees are properly supported as a result. However, they can put more pressure on our friends and allies to do more, and they need to ensure that countries such as Lebanon are not overwhelmed. We also need to meet our obligation to provide a safe refuge for vulnerable Syrian children fleeing conflict. I hope and am sure that the Minister will address all those points and elaborate further.

2.22 pm

The Parliamentary Under-Secretary of State for International Development (James Wharton): First, I join the shadow Minister, the hon. Member for Bradford East (Imran Hussain), in offering my condolences and those of all of us here today to those who have been so terribly affected by events yesterday, including Keith Palmer, who gave his life in protecting this place and the democracy that we are continuing the work of in this debate and in the House and across the estate and Government today.

It is a stark reminder of the challenges faced by many people across the world every day and of the stories we hear emanating particularly from the middle east and Syria—of the terrible events that so many people face as part of their ordinary lives and have done for many years now. We are looking at six years of the most terrible conflict, with tragic human consequences. It is welcome that when we debate these issues, the tone is—without exception—the one we have seen adopted by Members today. Despite what are so often our differences of party policy, ideology and outlook to the world, we unite in agreement that we want to see the most good done by addressing capacity, which is what the Dubs amendment was actually agreed and voted on in this House was there to do.

by hon. Members, reflected in the breadth and depth of questions and understanding today, and thank members of the International Development Committee and its Chair, the hon. Member for Liverpool, West Derby (Stephen Twigg), for their work in the report. I have some sympathy with the comment from the hon. Member for Glasgow North (Patrick Grady) that it would have been nice had the report been debated in a shorter order of time, but the fact that so many questions and issues have been raised today reflects the ongoing interest.

The Chair of the International Development Committee raised a broad range of issues, including the CDC and what its involvement might be. The next five-year strategy, as he said, will consider what role the CDC can play in Syria and regarding Syrian refugees in the region more broadly. There may well be opportunities there, and we are keen to ensure that where such possibilities exist, they are properly explored and considered. I do not want to go further than that or potentially tie the hands of an arm’s length organisation, but the point that he and other Members have made is a good and important one.

Questions were asked about Lebanon, a particularly small nation that has been heavily impacted by the conflict on its borders. In October 2014, the Government of Lebanon introduced tougher measures to reduce the flow of refugees, including the closure of borders to refugees, stopping registration by UNHCR and introducing a prohibitive and, to be quite frank, expensive process for acquiring residency permits. The UK Government, other UK agencies and international actors have been working with and making representations to Lebanon, and significant improvements have since been made. A statement of intent was signed in London at the “Supporting Syria” conference, and the Lebanese Government have removed the pledge not to work from residency permits and recently waived the residency permit fee for most Syrian refugees. That is a significant step forward. We continue to make appropriate representations and support where we can, but we should recognise where progress is being made.

The hon. Member for East Kilbide, Strathaven and Lesmahagow (Dr Cameron) asked about children in Lebanon and the most vulnerable groups affected by not only the more obvious health concerns but the mental impact, toll and toll that conflict can take. With the support of the Government of Lebanon and other international actors, but primarily through the UK’s support, I am pleased to say that we have been able to assist the Government of Lebanon in getting 203,000 Syrian children into its public school system, supporting the necessary infrastructure to go with that and the provision of the health services that are needed, and looking particularly at the humanitarian, educational and economic needs of women and girls.

We have worked with international agencies to design programmes targeting those groups specifically, because we recognise that it is sometimes the most vulnerable who find it most difficult to have their voices heard in such situations. It is the duty of the international community to recognise and reach out to all groups, not only those who shout the loudest or whose need is the most obvious, as important as those groups also are.

The Chair of the International Development Committee raised the issues of the ceasefire, illegal weapons and the diplomacy aspect of our involvement in the region.
We continue to work with our partners, through international agencies and bilaterally, to keep pressure on where we can and to support initiatives where appropriate, to try to stabilise the continuing situation there as much as is possible in the circumstances. That is something we will continue and are, I am proud to say, a leading nation on.

The hon. Gentleman also asked specifically about the Helsinki appeal. It is, I understand, currently about 18% funded. He will be aware that the UK is co-hosting a conference in Brussels very soon, from 4 to 5 April. That will be an opportunity to take this and other issues further. We hope and expect to see further progress made, but we should recognise that, as dire as the need is, the international community has contributed a significant amount to address some of the needs in and around Syria, which is welcome.

There is more to do. We will continue to work with our partners to go further, and of course continual work is needed on the scrutiny of how money is spent and the effect it is having. However, we should recognise that so far the international community has done a good job of recognising the severity and importance of what is happening. We intend to continue to press that message home with our friends across the globe and meet our obligations in supporting those who most need it.

The hon. Member for East Kilbride, Strathaven and Lesmahagow brought up the berm—the border between Syria and Jordan—and the dire situation that affects so many people there. My right hon. Friend the Prime Minister announced in December a further £10 million of funding, £6 million of which was specifically for the Syria-Jordan border. There are challenges in getting support to those who need it there, but we recognise them and are aware of the depth and breadth of the need. Again, we are working with international partners to see what more the UK may be able to do and what more is needed to address the terrible situation in which so many find themselves.

I welcome the reaffirmed commitment of the hon. Member for Glasgow North. He never misses an opportunity to impress on those who will listen, whoever they may be, the importance of our commitment to 0.7%. I was proud to support that legislation in the previous Parliament; it is one of the great achievements of global Britain. He is right to recognise that particularly post-Brexit, as we are given the opportunity to shape the UK’s place in the world going forward, the work that we do on international development is an important aspect of that, including our 0.7% commitment, which is world leading both in its scale and in our implementation of it. It is welcome that there is cross-party support for it, and I thank the hon. Gentleman for raising it, as he invariably remembers to do.

The hon. Gentleman asked about aid drops and the possibility of getting to harder-to-reach areas. We must of course be careful. We always review whatever possibilities there might be to get support to those who need it, and in the right way, but we must ensure at the same time that no harm is done. Many conflict-affected areas, by their very nature, have groups in them that we would not want to supply with aid and that might misuse what we supply were we not able properly to monitor it. We must retain public confidence in the money that we spend, the aid that we deploy and how it is used, and we must recognise that in conflict areas there is danger to operators who will try to deliver by conventional means and challenges with the deployment of drones for large-scale, heavy drops of the type that we might be discussing. We remain committed to reviewing innovative methods of delivering support and aid where appropriate, but the challenges at present make air drops to areas under siege difficult. I recognise that the hon. Gentleman has raised the issue before, including on the Floor of the House, I believe. I suspect that he will continue to pursue it, and, as always when he raises and pursues issues, the Department for International Development listens and ensures that we respond appropriately and ambitiously. We will continue to review all options, where they might arise, to do more good with the resource that we have.

The hon. Gentleman asked about under-the-radar support for NGOs operating in areas where we might be able to provide support, but perhaps in a way that is less obvious to those who would want to frustrate it. It would be easy for me to say that, by the very nature of under-the-radar support, it would be inappropriate for me to talk about it in a forum such as this, but I also welcome the opportunity to recognise the importance of accountability, deliverability and ensuring that the work we do does no harm. I do not want to pretend to have secret information up my sleeve that I am not sharing; rather, I ask hon. Members to recognise that, even if I were able to comment on such activities, this is not a forum in which I would be able to do so. However, the hon. Member for Glasgow North made an important point, and it is on the record.

The hon. Gentleman mentioned early-day motion 1054 and the work that his former constituent is engaged in with Journeys of Hope. I have never been a signer of early-day motions; I am a long-standing sceptic. However, I will undertake to review that early-day motion and its signatories following the debate. He has done the job of an ever diligent and good constituency MP in ensuring that his former constituent and his good work is raised and recognised and put on the record in the House, not just in the form of the early-day motion and the signatories to it, but in the Hansard report that will follow this debate. That ought to be recognised. I am sure that the hon. Gentleman will continue to promote the good work of his former constituent through appropriate means.

The shadow Minister raised a range of issues, including cash programming and cash transfers, which can be controversial. They require careful thought and planning, but are appropriate in some circumstances. I have seen a number of cash transfer programmes in my time in the Department and have been impressed by what I have seen. They have, potentially, a role to play. I welcome the shadow Minister’s statement of support for what can be a controversial area of activity, as I do the agreement that the Chair of the Select Committee expressed from a sedentary position as he nodded and smiled and “Hear, hear”-ed. It is recognised that this is an area that we should not close the door to in ensuring that we deliver the maximum good and the maximum utility for the taxpayers’ money that we spend. We have not just a duty to British taxpayers to do that, but a duty to those who receive the support, because every pound through which we can drive more efficiency is an additional opportunity to help more, to do more and to do more good with the resource that we allocate.
There was a debate, which I hesitate to reopen, about the
Dubs amendment, which has been quite widely
discussed on the Floor of the House and debated at
some length. I do not mean to reopen the debate in its
entirety, but I will of course speak to some of the
comments that hon. Members have made. First, we
should recognise the significant work that the UK is
doing regarding support to refugees, both in region and
at home. Under a separate scheme, as I think my hon.
Friend the Member for Cheltenham (Alex Chalk) said,
3,000 refugee children are being supported by the UK.
UK local authorities were asked in a consultation what
more they felt they could do, which is where the number
of 350 has arisen. The hon. Member for East Kilbride,
Strathaven and Lesmahagow asked, “What if we can
find more?” Local authorities are of course free to offer
more and talk about the resources that they have available,
but there is also a need, which we should recognise, to
ensure an equitable and appropriate distribution among
host authorities throughout the UK. That factor may
also be considered in how we approach the ultimate
delivery of this policy.

We must recognise, as the shadow Minister said, that
it can be more economical to support refugees in country.
For the likely cost of supporting 3,000 unaccompanied
children in the UK, the UK can provide support to
800,000 refugees in region. We have to be very careful
with the money that is available to us, to ensure that it
does the maximum good that it can. A local authority
receiving an unaccompanied child refugee aged under
16 currently receives support of more than £41,000 a
year. It is right that when we place people in communities
in this country, we provide appropriate support, ensure
that facilities are there and recognise that we have to do
it carefully and sensibly to avoid the risk of exploitation.
My hon. Friend the Member for Sutton and Cheam
(Paul Scully) made that point very ably, and it was
welcome that he did so.

We should also recognise that for every good action
we take, there is the opportunity cost of another action
that we could have used that resource for. That leads to
difficult decisions and quite a challenging reading of
morally difficult circumstances, but we should recognise
that we need to deliver the maximum benefit that we
can to those who most need it with the budget available
to us—the very significant 0.7% commitment that we
have made. We must constantly reinforce support for
that in the broader community, with our constituents
and the taxpayers who ultimately pay for it.

There was a range of other questions, which as
always I will be happy to discuss with hon. Members. I
am of course happy to ensure that if Members want to
write specifically, with detailed follow-up from the debate,
the Department will answer as fully as it can. I place on
the record my thanks to all hon. Members who have
attended the debate. I particularly thank the Select
Committee for its continued work and diligence in this
area and the shadow Minister for the collegiate and
non-partisan way in which the shadow team approach
this very important issue.

We should be proud of the UK’s contribution. We
should be proud of what we do diplomatically, of what
we do in terms of aid and of the guidance and leadership
that we are sometimes able to provide to the international
community in ensuring that we do aid and support
in the right way and that it gets to the right people.
That has cross-party support, and perhaps today, following
the events of yesterday, it is even more poignant than
normal.

I thank hon. Members for taking the time to come
and contribute and ask questions. I thank all those who,
in the field and at home, work so hard to deliver the
interventions, policies and work that allow the money
that we allocate to make the difference that it does. It is
not the politicians sitting here—although importantly,
they set the debate—who are on the frontline delivering
the work; it is the many hard-working people in the
Department for International Development, in the agencies
with which we work and in the international agencies
with which we partner. They do incredibly challenging
jobs in an incredibly difficult environment, and I take
this opportunity to thank them on behalf of the House
and to pledge our support to assist them in whatever
way we can to continue the important work that makes
a difference to so many.

2.39 pm

Stephen Twigg: I echo the Minister’s thanks to everyone
who has participated in the debate. Not least, I thank
him for his response and, on the Committee’s behalf, I
thank all those who have enabled us to undertake the
inquiry by providing evidence. As a Committee, we are
trying to follow up our reports. Although this report
was published just over a year ago and was our first
report of the Parliament, we are keen to ensure that we
review our recommendations and progress on them. In
the light of that, we followed up the report a few weeks
ago with a further evidence session, which included our
taking evidence from Lord Dubs.

I absolutely agree—I think this is the Committee’s
view—that we can be immensely proud of the UK’s
work in region, both with internally displaced persons
in Syria and with refugees in the surrounding countries.
My argument is not that we should not be proud of
that, but that we could do more here. I was encouraged
by the Minister’s response, which I take to mean that
the door is still open on Dubs if certain conditions are
met. That is the challenge for local authorities, civil
society organisations and others, and I am sure they will
rise to it.

Let me welcome three things that the Minister said.
First, the update on Lebanon and the progress there
was very welcome. Secondly, I was encouraged by his
response on the CDC; our Committee will pursue that
with the CDC and the Department. Thirdly, I absolutely
echo what he and the shadow Minister, my hon. Friend
the Member for Bradford East (Imran Hussain), said
about the role that properly managed, carefully targeted
cash transfer schemes can play in supporting some of
the most vulnerable people. The evidence base is very
powerful.

Thank you for chairing the debate this afternoon,
Mr Stringer; it has been a good opportunity for us to
update the House on an important issue. Let us hope
that by the next time we meet to discuss it we will have
seen real progress towards peace and reconstruction in
Syria.

Question put and agreed to.

Resolved.

That this House has considered the First Report of the International
Development Committee of Session 2015-16, Syrian refugee crisis,
HC 463, and the Government response, HC 902.
DFID’s Programme in Nigeria

2.41 pm

Pauline Latham (Mid Derbyshire) (Con): I beg to move,

That this House has considered the Second Report of the International Development Committee, DFID’s programme in Nigeria, HC 110, and the Government response, HC 735.

It is a pleasure to serve under your chairmanship in this important debate, Mr Stringer. Following yesterday’s tragic events, we have been urged to continue with business as usual in Parliament. Many of the things that we could debate feel rather trivial compared with the many injuries and deaths that happened yesterday, but this debate is far from trivial.

Despite being a lower-middle-income country, Nigeria plays host to 120 million people who live below or only just above the poverty line, as well as 10% of the world’s mothers who die in childbirth and 16% of the world’s out-of-school children. There is great inequality, with very few people benefiting from its economic success, which is—or was—largely based on oil wealth. The Department for International Development’s programme in Nigeria is its second largest bilateral programme in Africa, and its third largest in the world, with £303 million allocated for 2016-17.

The second report of the 2016-17 session by the Select Committee on International Development, on DFID’s programme in Nigeria, was published on 27 July 2016. It looked across DFID’s work in the country, making the following key conclusions and recommendations. The Committee commended DFID for its work on governance, which had had a direct impact “in contributing to a credible, fair and peaceful presidential election in 2015.”

The Committee urged DFID to maintain its support for systems strengthening, institutional management and civic education. It also recommended that DFID should, as a priority, develop a deeper understanding of Nigeria’s political economy and strengthen its judiciary.

The Committee expressed concern that DFID’s power sector reform programme—the Nigeria Infrastructure Advisory Facility—was based on an insufficient research base and was “hurting poor Nigerians in the short term, even if there is a net overall benefit to privatisation of the power sector in the long term.”

It therefore suggested that DFID encourage the Nigerian Government to take measures to mitigate the impacts.

The Committee recognised the key role of the private sector in successful economic development, but noted that there was not a coherent, joined-up strategy between various parts of the UK Government on achieving that. It recommended that as well as producing such a strategy, DFID should do further research on quality job creation in Nigeria.

The Committee was particularly concerned about Nigeria’s prospects for achieving sustainable development goal 4 on education, and called on DFID to do more to support Nigeria in mapping a route to achieving the goal, including emphasising the value of basic public services and spending on education. It expressed further concern about the affordability of private schooling, including that provided by Bridge International Academies, for the poorest families, and called on DFID to ensure that it aligns with the principle of “leaving no one behind”.

We visited a school that had a morning and afternoon session; it had to do that, because so many children need an education and there are insufficient schools. The Committee also found that the UNICEF-managed girls education project was failing to perform, and asked that DFID lay out the steps being taken to improve its effectiveness.

The Committee commended DFID’s commitment to humanitarian support in north-east Nigeria, but noted that there is a funding gap. It recommended that DFID do all that it can to ensure that the 2016 UN appeal was fully funded, both through its own resources and its influence. It also commended DFID’s commitment to development in a fragile area, and recommended continuing support to address the drivers of conflict, and including community-based approaches in its peace-building work.

The Government responded to the Committee’s report in September 2016. They welcomed the constructive review, and stated that it agreed “with the principles sitting behind all the recommendations provided by the committee, and in the majority of cases we fully agree with the practical next steps these imply.”

They made the following specific points. DFID agreed to continue its work on governance, and it has extended its “Deepening Democracy in Nigeria” programme until 2021 “to ensure full election cycle support.”

It noted that it is investing in research into the political economy of Nigeria and agreed to reach out to more UK-trained lawyers in order to strengthen the judiciary there.

On power sector reform, DFID agreed to do more to mitigate the short-term effects of its programme, and accepted that “only a small proportion of consumers currently benefit.” It agreed to “encourage the Nigerian Government to increase the number of poor customers benefiting from the lifeline tariff”, and to build more evidence on the poverty impacts of the work.

On economic development, DFID partially agreed with the Committee’s recommendation on a joined-up strategy from Her Majesty’s Government, claiming that the “bilateral aid review...considered all elements of UK government efforts toward inclusive economic development in Nigeria.” It stated that it had already taken steps “to strengthen cross-departmental join-up”, and agreed to “ongoing operational research by programme teams during implementation” on quality job creation.

On education, DFID stated that it is “supporting the Federal Ministry of Education to develop the Government’s Ministerial Strategic Plan which sets out how it will move towards achieving SDG 4.” It went on to restate its commitment to leaving no one behind, and said that its support for “partners such as Bridge International Academies is intended to accompany DEEPEN’s sector wide work, with a focus on testing innovative school improvement models that will support stronger learning outcomes.”
It further noted that it has been “working intensively with UNICEF to improve the effectiveness of GEPS”, with an annual review due later in the year.

On humanitarian support and conflict, DFID only partially agreed to do all that it could to ensure that the UN appeal for Nigeria in 2016 was fully funded, but it agreed to continue support for addressing the drivers of conflict, and to scale up its community-based work. I have a series of questions for the Minister, which I will come to at the end of my speech. If he can answer them today, that is fine, but if not, perhaps he could write to the Committee to follow up.

Following the publication of our report, the Committee sought and obtained a Westminster Hall debate through the Backbench Business Committee on the Chibok schoolgirls in Nigeria. In that debate, which I do not believe this Minister attended, Committee members expressed their full support for the “Bring Back Our Girls” campaign, and spoke passionately about their experiences during the Committee’s visit, when we all met the campaigners outside our hotel. They had been there every single day since the Chibok girls were kidnapped, and they continue to be there. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), who acted so heroically yesterday, responded to that debate on behalf of the Government. He laid out the support that the UK has provided, including specifically on the issue of the Chibok girls, such as support for hostage negotiation, military support, and support on governance issues more broadly, and he reiterated the Government’s support for defeating extremism in Nigeria and bringing back the Chibok girls.

In October, 21 more Chibok schoolgirls were freed. We know that they are not the only people who have been kidnapped in Nigeria, but a lot of international attention has focused on them. The problem is that many of the girls, whether freed or not, have been raped, forced to marry, or forced to change their religion, and many of them now have children. Sadly, some of the girls who have been freed have been rejected by their own community. They were in a terrible situation, and thought that they would be welcomed back by their families, but that has not happened universally.

Since the publication of the Committee report, the humanitarian situation in Nigeria has worsened. Nigeria is one of a number of countries in Africa and the middle east suffering from a severe crisis of food insecurity. More than 5 million people in the country’s north-east are estimated to be food-insecure, including nearly 500,000 children suffering from severe acute malnutrition. Despite the Committee’s calls for DFID to ensure that the 2016 humanitarian appeal was fully funded, it reached only 52% funding. The 2017 appeal is for more than double the 2016 appeal, and is currently 5.2% funded, with a funding gap of around $1 billion. Some progress is being made, though, as the Nigerian Government continue to make gains against Boko Haram, allowing development actors better access to those in need.

DFID began a major programme of humanitarian support in Nigeria in late 2015. In July last year, DFID committed an additional £50 million to the response for the remainder of the year. DFID has identified that the major challenge to humanitarian support in Nigeria is the lack of donor experience in providing it in that country, leading to weak co-ordination and leadership and, at times, lacklustre delivery. DFID is looking to scale up the capacity of its humanitarian team in the country, especially for work on nutrition, which is incredibly important.

After the Committee’s recommendations and the programme redesign, DFID now assesses the Girls’ Education Project 3 to be making good progress. In its latest annual review, carried out around the time when the Committee’s report was published, DFID gave the programme an A rating, and noted both that it is now delivering results, including increased enrolment, and the introduction of an early-grade learning initiative and an education management information system. That is good news. Perhaps the Minister can give us an updated progress report.

Early this year, President Buhari disappeared from the Nigerian political scene. Rumours about his health spread through Nigeria before it was officially announced that he was in London for medical treatment. After two months in the UK, he returned to Nigeria earlier this month and resumed his official duties, but rumours continue due to the length of his absence, creating a feeling of instability in the country.

Since the new Government were established, there has been some progress on security and corruption, which are perhaps at the heart of Nigeria’s problems. Boko Haram has been pushed out of most of the territory that it controlled in north-east Nigeria since President Buhari, whom some see as being on the back foot, took office. In the last six months, Boko Haram has lost most, if not all, of the territory that it held in the Sambisa forest in Borno state, which had been an important rear base for it.

In May 2016, not long after former Prime Minister David Cameron described the country as “fantastically corrupt”, the British Government said that they would give Nigeria £40 million over the next four years to help the fight against Boko Haram, and that they planned to train almost 1,000 Nigerian military personnel for deployment in counter-insurgency operations, which is clearly welcome.

On anti-corruption, there has been a wave of arrests of those who held office under President Buhari’s predecessor, Goodluck Jonathan. The trial of former national security adviser Sambo Dasuki has begun; former Petroleum Minister Diezani Alison-Madueke has yet to stand trial; and several major investigations have been launched. However, critics claim that the Government’s copybook is blembed on security and anti-corruption, saying that some of the steps taken against corruption have been politically motivated, rather than taken without fear or favour. As is often the case in Nigeria, investigations are proceeding at a snail’s pace.

Meanwhile, the Nigerian security forces remain prone to committing human rights abuses, but continue to enjoy impunity. A more fundamental criticism is that Buhari has not yet got to grips with the interlocking root causes of violence: poverty, inequality, marginalisation and, not least, corruption, whether in the north or elsewhere. With the possible exception of in the oil-rich Niger delta, he appears uninterested in seeking negotiated solutions. The authorities have also been criticised for their performance in response to the humanitarian crisis in north-eastern Nigeria.
The biggest challenge to emerge during the second half of 2016, apart from Buhari’s possible ill health, were the cracks in the fractious coalition of interests that makes up the ruling party, the All Progressives Congress. The main divisions emerging, which have never been far from the surface, are between Buhari’s faction and those loyal to former Lagos State governor and APC kingmaker Bola Tinubu, who is reportedly in cahoots with former Vice-President Atiku Abubakar.

According to Africa Confidential, that faction is actively contemplating setting up a separate party, coined “the mega party”. The party would bring together APCers disillusioned with Buhari and sections of the former ruling party, the People’s Democratic Party, which is also faction-ridden.

As a large producer and exporter of oil, Nigeria has taken a bad economic hit from the sharp fall in the price of oil in 2014. Government revenues have fallen, resulting in cuts to Government expenditure, while the value of total exports has fallen significantly, given that oil and gas make up around 90% of Nigeria’s exports. Nigeria has had huge problems with corruption in the oil industry, and its value has decreased so much that it continues to cause major poverty problems for the country.

The Government were also forced to abandon their currency peg, which fixed the naira to the dollar, despite having spent billions of dollars from their foreign exchange reserves to try to prop it up. The naira fell from about 197 to the dollar to 280 to the dollar in June 2016, and the official exchange rate is currently around 300 to the dollar. That is compounding the country’s problems. However, it appears that the currency was not allowed to float fully; Government intervention is still occurring. During 2016, there was a serious foreign exchange shortage and consumer price inflation rose rapidly, which had an impact on the poorest and on the people with the most severe problems.

These factors mean that full-year growth in 2016 is likely to have been negative for the first time since 1991. The International Monetary Fund estimates that GDP contracted by 1.5% in 2016, compared with growth of 2.7% in 2015. It does, however, forecast growth of 0.8% in 2017 and 2.3% in 2018. The outlook is supported by the oil price, which is higher than it was a year ago, in part because it has been boosted by a deal by OPEC members restricting oil supply.

Nevertheless, the longer-term challenges facing Nigeria’s economy remain. Corruption remains a huge problem, despite efforts by the Buhari Administration to clamp down on it, and broader conditions for conducting business remain poor. Poor-quality infrastructure, very low education levels, security worries and high poverty levels are additional barriers to faster long-term growth. One of my major concerns when we were in Nigeria was how the Government were going to tackle corruption. They came in with great ideas, wanting a clean sweep of the country, but they have delayed and delayed, and they are not delivering. They will have problems, because the people of Nigeria will not wait forever for things to change.

SIR DAVID CRAUSBY in the Chair

I have key questions that I hope the Minister will be able to answer—if not now, perhaps later. First, how has recent uncertainty surrounding President Buhari affected DFID’s work with the Nigerian Government and its work on governance in Nigeria? Secondly, what is DFID’s assessment of humanitarian need in north-eastern Nigeria? What support is it providing to deal with the humanitarian crisis and food shortage in that area? What are the UK Government doing with other donors to ensure that the 2017 humanitarian response plan is fully funded?

Thirdly, what is the UK Government’s assessment of the prospect of release of more of the Chibok schoolgirls? Does the Minister know how many have been released and how many are still being held? What continuing support are the UK Government providing to Nigeria to secure the release of more of them, and other schoolgirls who we know have been captured? Fourthly, on DFID’s power sector reform programme, how much progress has been made on extending the lifeline tariff and assessing the programme’s impact on poverty? Fifthly, how have the UK Government strengthened joined-up working on economic development in Nigeria? How is DFID working with the prosperity fund and the Department for International Trade on economic development in Nigeria?

Finally, what is DFID’s assessment of the likelihood of Nigeria achieving sustainable development goal 4 on education? That seems to me one of the key questions if, in the long term, the country is to lift itself out of poverty and its terrible situation. If Nigeria does not meet SDG 4 and provide a decent education for every single person in the country, it will never fully become a middle-income country or better.

I thank the Committee specialists who worked with us on the report, and those who went with us to Nigeria. It was an incredibly interesting visit to a country that I had never been to before. It held out so much hope, but I believe that its Government are failing. As I said earlier, the country will not forgive them if they do, because people there believed that their Government would transform the situation. All the money that we have put in should be helping them to get there. I believe that it is meant to do that, but I am not sure that the Nigerian Government are taking as much advantage of it as they could.

3.5 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Sir David. I thank the hon. Member for Mid Derbyshire (Pauline Latham) and the rest of the Committee for their work. She gave an extremely extensive and thorough speech that covered the Committee’s findings on Nigeria. I do not intend to repeat what she said, but I will raise a number of issues that were apparent to me on the Committee’s visit.

As the hon. Lady said, although it is a lower-middle-income country, Nigeria plays host to 120 million people living below or just above the poverty line, to 10% of the world’s mothers who die in childbirth and to 16% of the world’s out-of-school children. I have to say that what struck me when I arrived there was the inequality, which is absolutely stark: many people have great wealth, but the majority of the population have very little at all.

I ask the Minister what the long-term plan is for DFID’s work with Nigeria and its Government. Nigeria is a lower-middle-income country and it has a number of resources, although they have not provided the same
economic benefit in recent years as they did before. Nevertheless, it seems to me that the issue is what systems can be put in place to address inequality and ensure that the economy’s benefits actually reach people who are vulnerable and in need of support. What will the department do to ensure that such systems will be put in place? What work is taking place with the Government to try to address that? Without those systems, the problem will be perpetuating; we will continue to give vast amounts to Nigeria, a lower-middle-income country—I think it is DFID’s second largest bilateral programme in Africa and its third largest in the world—when what it really needs is assistance to self-sustain and make long-term progress in the right direction, so that some of that money can go to other countries that are not in the same financial position.

The other issue that stood out to me was corruption. It was even apparent at the airport: I tried to buy something at the duty-free and was told, “No, you can’t pay with a card—you will have to pay with cash.” Even in places where you would not expect it, there is money flowing through the systems, with very little accountability for how much of it there is and where it ends up, and I imagine that very little tax is being collected. One of the key issues that the Department should look at in Nigeria is electronic cash transfer programmes—we have recently seen some excellent work on those in Kenya—to ensure that the Nigerian Government have a record of where money is being transferred, in shops and throughout the economy, and are therefore much better able to collect taxes. That was not at all evident to me in Nigeria, not even at the airport, which I would have expected to have some system in place.

We were taken to see an anti-corruption tower—that is the only way I can describe it. It was a massive building that the Nigerians hoped we were going to help to fund. It was exorbitant in size. It was to house the anti-corruption teams of the Minister. I was not sure that, by funding a tower, the money was going to go in the right direction—towards anti-corruption policies. What is happening in terms of the work we are doing with the Government and the anti-corruption Minister who was in place at the time to take forward strategic anti-corruption policies? Again, I feel that the crux of the matter is/about knowing where money is coming from and where it is going, and making sure that it is electronically registered.

The Committee recognised the key role of the private sector in successful economic development, but noted that there was not a coherent joined-up strategy between various parts of the UK Government on achieving that. What progress has been made? The other issue of grave concern to me was the prospect of achieving sustainable development goal 4 on education. When I visited the school in Kano in northern Nigeria, there appeared to be great ambivalence about ministerial-led support for girls’ education. Education was taking place in the school, but I would say the quality was extremely poor. On what was being taught, I cannot say from my visit that I had much awareness of any learning other than the continual reciting of religious books. I am all for religious education and I believe parents should have a choice in that regard. However, if we are providing money for education programmes, we should address the quality of those and ensure progress is made. One of the understandings that some progress has been made of late, but I would like that to be repeatedly reviewed because I did not end the education visits with a great sense that the money was being spent in a way that would make a great difference to the girls.

I also had a sense—an undercurrent—of women’s place in Nigeria. That was even apparent when we visited Ministries, where there were no women aside from our own delegation around the table. I asked why there were so few women parliamentarians and I was told they cannot afford to stand. That is a huge gender equality issue. If there are few women in political life in Nigeria, there will be few policies that create gender equality, so we should focus on that. On the idea that someone has to have a set amount of money to stand, obviously, we cannot enforce our absolute democratic principles on every other country, but if we are working with Governments to try to improve governance and democracy, these are conversations that must be had. Unless the system and its failings are addressed, I fear that little will change for girls in Nigeria, particularly in the north, and we will continually have to try to monitor strongly what is happening and doubts regarding the effectiveness of what we do there.

One thing that emotionally struck me was meeting the “Bring Back Our Girls” campaigners, who are out every day speaking about the importance of bringing back the girls safe and alive. I really want the UK Government to work with the Nigerian Government to ensure that we do as much as we can to support them in that regard. We know only too well that defeating extremism should be our priority. It tarnishes society and reduces the hopes of people around the world. We know that only too well today after the impact even in this House.

We must provide support to defeat extremism. At the time, I thought that the Nigerian Government were taking that extremely seriously. I understand that they have made good gains. The President has a military background and defeating extremism is one of the key objectives that he is committed to. We need to support that positive objective to ensure that people in the north, the children, women and families have opportunity and hope with being kept in conditions of extremism. We must always fight to try to help to bring back those girls. Where else in the world would hundreds of girls go missing for such a length of time with nothing happening? That is very stark. Some have been released. But they were not found. We need to ensure that we do all we can to bring those girls back safe and alive for their families. I am a mother of girls. I feel very strongly and passionately that we should assist the Government.

Food insecurity is a humanitarian issue now in Nigeria. We must do all that we can to help the vulnerable people there who are suffering from acute malnutrition. We know that the humanitarian appeal has reached only 52% of the funding requirement, so we need to look at that and decide whether there is more that the United Kingdom can do. Again, I come back to saying that there also has to be a long-term plan. Nigeria has grave inequality and pockets of extreme wealth. There has to be a Government plan for situations that arise over the long term. Perhaps the UK might assist Nigeria to put in place a plan to help its own population in future, but in the meantime we have to do everything that we possibly can.

I have concerns regarding the governance of the work that we do in Nigeria. I am hopeful that DFID will be extra scrupulous in looking at programmes, their quality
and outcome. Fundamentally, in order to help support Nigeria, there needs to be radical change in the politics in Nigeria and the will to make changes to deal with corruption and inequality. I hope that, wherever possible, the Minister will help to push on those particular issues. Also, I hope he will update us today on what we can do to bring back the Chibok girls.

3.18 pm

Jeremy Lefroy (Stafford) (Con): I apologise for not being here at the beginning, Sir David. I was participating in the debate in the main Chamber. I am glad to follow the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron). She has highlighted a lot of the very important issues. I would differ slightly with her on education, but I will come to that.

One thing that struck me more than anything in our visit to Nigeria, which was my first visit to that country, was when we were in Abuja and we visited a refugee camp where the refugees were cared for not by an outside agency or the United Nations, but by Nigerians themselves and by Christian organisations and mosques. The teachers gave up their time, often voluntarily, in a school that was almost in the open. I felt that Nigeria was a hugely self-reliant country, but, as the hon. Lady has said, perhaps the people are sometimes not supported sufficiently by their own Government. Nigerians are hugely entrepreneurial and dynamic people, but I believe they are sometimes a little held back. However, I felt that their caring for their own in the refugee camp in the middle of Abuja, where there were refugees from the north and particularly from Borno state, was a microcosm of what so many Nigerians do for each other across the country.

Education is clearly something for which the Chair of the Committee has a huge passion—so do we all—and he has made it a hallmark of its work. I welcome that. I agree that perhaps aspects of the schools that we visited in Kano surprised us, but other aspects encouraged me. For instance, in the Koranic schools we saw that, almost for the first time, many of the children were learning subjects to which they had not had access before. The curriculums that they were using—which have been largely supported through DFID—were encouraging; they were not, perhaps, the finished article, but they were probably a step forward from what there was before. Clearly, we want much more of an advance. We want girls’ education to be absolutely right; we want them to get the same education as boys. However, it was a step forward.

The other school had something like 13,000 children. It is one of the biggest primary schools in sub-Saharan Africa, if not the biggest, and, again, I felt that progress was being made. We visited a class with disabled children, where an effort was being made on their behalf. Clearly, in comparison with our education system or those of other middle-income countries—Nigeria is, of course, such a country—there are great shortfalls. Nevertheless, improvements are being made, particularly by one of the two education programmes that DFID is running in the north. Progress is being made, and much more could be done, but clearly that is fundamentally an issue for the Nigerian Government. In a country as large as Nigeria, DFID can only really supply technical advice and a little support here and there.

That brings me on to corruption, tax collection and so on. I share the views of the hon. Member for East Kilbride, Strathaven and Lesmahagow about the anti-corruption building. I was more interested in finding out about the anti-corruption work than I was in seeing a half-finished building in which that work might take place in future. There is little more to be said other than that I hope the building will be finished and that the work that is done in it will have a huge impact. I am not sure that the UK Government should finance the building. We should support the work that goes on there but not the infrastructure.

I was encouraged by the work on health that we heard about through some of our meetings in Abuja. I am the chair of the all-party group on malaria and neglected tropical diseases and I have a particular interest in the area, as does pretty much every Member attending the debate. We heard of the great progress that has been made in reducing the incidence of malaria across Nigeria, which, along with the Democratic Republic of the Congo, still has the largest burden of malaria in the world. We heard particularly of progress in the northern regions—the Sahel region of Nigeria, where there can be intermittent malaria, particularly in the rainy season.

We visited a midwife training school based at the hospital, and the pharmacy there, I was extremely impressed with the pharmacist, who was clearly dedicated to her work to prevent malaria. She contacted me and the all-party group after the visit and said, “I want to do something on World Malaria Day”—which was a month after our visit; “can you help us?” The all-party group agreed to send an amount of money—I think it was about $1,000; and with it the pharmacist co-ordinated a magnificent World Malaria Day event. She invited local people, local government leaders and health leaders, and also managed a mass distribution of bed nets. It was all done voluntarily and it showed the spirit of individual Nigerians—how they really want to work on behalf of their country and people. I very much hope that the same thing will happen again this year; and that our group will support it if it does. For $1,000 I think the impact was substantial, based on the report we received.

It is not only on malaria but on neglected tropical diseases that the work supported by DFID in the north has had a great impact. I believe that that programme is just coming to an end, and I urge DFID to look at supporting a continuation of the work. We know that, if work in areas such as neglected tropical diseases and, indeed, malaria is halted for a while, those diseases can come back. Clearly, we want the Nigerian Government to take up the work on NTDs. In the meantime I should like the Minister’s reassurance that DFID is considering supporting a continuation—perhaps in a different way—of the programme on NTDs in the north of Nigeria. I should declare an interest, in that I am a member of the board of the Liverpool School of Tropical Medicine. I want to make that clear as I know that the school has great engagement in Nigeria and with DFID programmes, although I am not sure in what respects.

The economy in Nigeria has been far too dependent, clearly, on oil in the past decades, but a real effort is being made to expand and diversify it. That has been made necessary by the fall in the price of oil. The hon. Member for East Kilbride, Strathaven and Lesmahagow rightly mentioned the lack of women in senior positions, and particularly the lack of women Members of Parliament. However, the Finance Minister of Nigeria is a woman,
whom we had the pleasure of meeting in Abuja, and who was committed to reform of the Nigerian economy. I should hope that she—and, indeed, her reform-minded, progressive colleagues—would get the fullest possible support from the British Government, whether through DFID or the Foreign and Commonwealth Office, in their efforts to ensure that the economy of Nigeria works for everyone.

I want to touch on the issue of food, food security and famine. We have heard from the Government and from colleagues across the House of the issues in Nigeria and east and central Africa. I welcome the generosity of the British public in supporting the Disasters Emergency Committee appeal for east and central Africa. Perhaps the Minister will outline for us the current situation in Nigeria, as it is a year since we were there. Nigeria has a proud reputation of wanting to help itself to deal with such issues, but I want to find out what the current food security situation is. Our efforts are concentrated on east and central Africa, but we would not want countries in the Sahel—not just Nigeria but Chad, Mali, Niger and others—to miss out on the efforts that are being made. Whether we like it or not, the UK is a leader in the area; particularly given concern about the potential withdrawal of United States funding it would be a problem if areas where the UK is not so prominent fell behind because they are not on our radar. I should appreciate an update from the Minister about that.

3.28 pm

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op):
It is a pleasure to serve under your chairmanship, Sir David, and to follow my three colleagues from the International Development Committee, who have set out very fully some of the findings of our inquiry, and some continuing concerns. I shall speak briefly. I take this opportunity to apologise for the fact that I shall have to leave at about a quarter past 4, so I may miss the closing part of the debate.

I support the remarks of my friend the hon. Member for Stafford (Jeremy Lefroy) about the current food crisis in Africa and the Yemen. I would welcome a response to his points from the Minister, as well as an early opportunity for the matter to be considered in more detail in the House, whether by way of a statement or a tabled debate. There are massive challenges, and as the hon. Gentleman said, the public response to the DEC appeal has been extraordinary. The Government are already doing a lot of good work in the countries concerned, but it is vital that we should do all we can to relieve a massive humanitarian crisis.

I will briefly talk about two issues—governance and education. I do so really to reaffirm what others—in particular the hon. Member for Mid Derbyshire (Pauline Latham), who is an assiduous and hard-working member of the Committee—have said. She opened the debate by talking about the challenges regarding governance and made the important point that, partly because of the support of the UK, we saw in 2015 a credible, fair and peaceful presidential election in Nigeria, which resulted in the sitting President being defeated, standing down and handing over to a successor. That was a very significant development and was hugely welcome.

Alongside the many humanitarian and other development challenges that this debate has rightly emphasised, I urge the Minister and the Government not to lose focus on some of the governance issues and the importance of the UK—in the form of both DFID and the Foreign Office—continuing to engage on governance, both at the federal level in Nigeria and at state and local level. Part of that involves meeting the challenge that the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) rightly reminded us of, which is about not only women’s representation in public life in Nigeria, including in politics, but frankly representation for anyone who is not wealthy, which is difficult because of some of the barriers she told us about.

The other issue I will speak about is education. Nigeria is an enormous country. I think the hon. Member for Mid Derbyshire said in her opening remarks that 16% of the world’s out-of-school children are in Nigeria—one in six of all the children in the entire world who are not in school are in that one country. So if that country makes the sort of progress on education that we would like it to make, it will be hugely important not only for Nigeria itself but globally.

When we were on our visit to Nigeria last year, some Members went to Kano; we heard some reflections on that trip from the hon. Members for Stafford and for East Kilbride, Strathaven and Lesmahagow. Some of us saw schools in Lagos and saw some of the challenges there. Again, we saw some of the difficult issues that exist, which the hon. Member for East Kilbride, Strathaven and Lesmahagow rightly highlighted, but also some more encouraging aspects. I remember that we went to a state school in Lagos. On the one hand, the sheer number of children in each class and how challenging that was for the teachers was very striking; on the other hand, children with disabilities and special educational needs were in the same class as the other children, and the teachers were able to deliver for them all.

Clearly, Nigeria faces a massive challenge if it is to achieve sustainable development goal 4; it will be very hard for the country to do so. At the moment, the Select Committee is conducting an inquiry into DFID’s work on education, and Nigeria is probably one of the most striking test cases given the level of resource, support and ambition that is required, both within Nigeria, as the hon. Member for Stafford rightly said, and in the international system, to ensure that goal can be reached. Let us hope that it can be.

3.32 pm

**Patrick Grady** (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Sir David, and I again congratulate the International Development Committee on securing time for this debate. I also congratulate the hon. Member for Mid Derbyshire (Pauline Latham) on her comprehensive introduction of it.

In the context of all the speeches we have heard, it is clear why this debate is particularly relevant at the moment, especially given the growing food crisis in north-east Nigeria, which is starting to reach critical—famine—conditions. I echo the calls for the opportunity to question the Government in more detail about their response to that on the Floor of the House, outwith the Department for International Development questions session that is coming up next week.

As we have heard from a number of Members, Nigeria captures many of the challenges of delivering aid and international development in the world today. It is...
classed as a lower-middle-income country and it is in a period of economic and developmental transition, and therefore there are significant inequalities across the country, as my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) spoke about, including those caused by the famine situation and the terror attacks led by Boko Haram. Indeed, yesterday I saw reports of there being seven dead people and 18 injured people in refugee camps in the north-east of Nigeria, which again gives us cause to express our solidarity, following our own tragic experiences yesterday.

The structure of the Select Committee’s report emphasises the holistic challenge that exists in Nigeria and the need for a holistic approach to development to get everything right in governance, economic development and the delivery of basic services, as well as in the areas of conflict and security.

Getting governance right is an often unseen and occasionally questioned part of the development equation, but it is hugely important. The debate that we have just had on the situation in Syria demonstrated the need for strong internal governance and strong civil society, because if people cannot demonstrate peacefully or seek democratic change peacefully, situations can rapidly spiral out of control and into violence.

I welcome the recommendations in the report, especially those on corruption, support for the regional governments across Nigeria and the opportunities for the sharing of best practice, drawing particularly on the strength of the Nigerian diaspora in this country and elsewhere.

Openness of government and transparency of information are both absolutely critical, so I also welcome the developments on IT and open-access budgeting that are covered in the report. We recently had a more general debate in Westminster Hall on west Africa, including Gambia, where there has been a peaceful transition of power. In large part, that was due to the role of new technology, including mobile communications. Perhaps there are some lessons to be learned there.

My hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow also reflected powerfully on the corruption situation in Nigeria, and said that gender equality is a very important way in which that corruption can be overcome. Economic development and economic inequality are also major challenges in such transitioning economies. If the cycle cannot be broken, there is a risk that it will be a self-perpetuating cycle of poverty and growing inequality.

There are important recommendations in the report, including a focus on jobs. There is also a role for the Commonwealth Development Corporation, as we discussed in the previous debate. There is an opportunity for the Government to show how the CDC really can make a difference by delivering poverty reduction in places that are very hard to reach.

In the report, there is also an emphasis on the role of the diaspora, particularly in trade and the sharing of skills across borders. There is also emphasis on the issue of basic service provision. That is because despite the transitioning economy, despite the growth and despite the existence of pockets of wealth in Nigeria, there are places where such basic service delivery and service provision are needed.

Once again, there is a role for local NGOs, civil society organisations and faith-based organisations. The ability to gather data and monitor the impact of different measures has been highlighted, both in the report and by Members today. Two of the most basic aspects of service provision in education have already been widely covered in the debate, and there is also the issue of healthcare. I echo the points made by the hon. Member for Stafford (Jeremy Lefroy) about providing support to combat malaria and neglected and tropical diseases more widely.

Finally, we must consider conflict and security, and the dreadful impact of Boko Haram. We have heard very powerfully about the campaign to find the captured Chibok and other schoolgirls—the “Bring Back Our Girls” campaign. I pay tribute to all who are involved in that campaign. Access to education, especially for girls, is particularly important to help to protect and support future generations.

Unlike the Members who have already spoken, I have not yet had first-hand experience of visiting Nigeria. I hope to join the hon. Member for Edmonton (Kate Osamor), who leads for the Labour party on international development issues, on a visit with the all-party group on Nigeria at some point in the next few months. I think the timing of Abuja airport’s reopening will largely determine the timing of that visit, but I look forward to having the opportunity to visit Nigeria, having made many friends from the Nigerian diaspora over the years, not least in recent weeks the two new priests in the parish that serves my constituency office, Father Ambrose Ohene and Father Dominic Alih, whom we welcome to St Columba of Iona in Woodside.

I will also reflect briefly on the fact that tomorrow is Red Nose Day for the Comic Relief appeal. Over the years, many millions of pounds from Comic Relief have made a huge difference not only in Nigeria but around the world. The very first Red Nose Day was on 5 February 1988, which was my eighth birthday, so I have always had a fondness for that particular charity, and I wish everyone involved with it the very best.

As I think the Select Committee’s report has demonstrated, DFID has a complex and detailed programme in Nigeria, which is making a real difference, but there are always lessons to learn, and the report draws some of them out. I always think it is interesting when the Government partially agree with recommendations; that is a polite and political way to respond to aspects of a report. Hopefully, the case has been made for the Government to come even closer to agreement on some of the Committee’s recommendations, and I look forward to hearing what the Minister has to say.

3.39 pm

Imran Hussain (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I congratulate my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) on securing another important debate. In particular, I congratulate the hon. Member for Mid Derbyshire (Pauline Latham) on making a very informative contribution. She expressed particular concerns about education and electricity. I share those concerns and will speak about them. I also thank the hon. Members for Glasgow North (Patrick Grady), for Stafford (Jeremy Lefroy), and for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for making very important contributions in their usual styles.
The International Development Committee’s report on DFID’s programme in Nigeria was stark. It offered a scrutinising insight into DFID’s work in what is one of the world’s fastest growing economies and one of its most deprived nations. The report highlighted several pieces of positive work that DFID is doing in Nigeria; the hon. Members for Stafford, and for East Kilbride, Strathaven and Lesmahagow, both mentioned that.

DFID is spending money effectively on fighting malaria in the country, and the positive lessons that health professionals have learned and applied from anti-malaria programmes has had a knock-on benefit for the health sector more widely. DFID used a range of expertise to help deliver the fairest elections in Nigeria’s history. That allowed President Buhari to stand strong on his mandate of delivering economic growth, reducing inequality and tackling corruption. DFID is rolling back the neglected tropical diseases that have taken hold in the country, enabling more children to go to school and more adults to go to work. We commend that work and believe that the Government should hold up those successes as examples of DFID’s money being put to use to benefit the people of not only Nigeria, but the UK.

Nevertheless, as has been said, the report and hon. Members for Stafford, and for East Kilbride, Strathaven and Lesmahagow, both mentioned that.

Quite a lot was said about corruption and governance by the hon. Members for Stafford, and for East Kilbride, Strathaven and Lesmahagow, and by the Chair of the International Development Committee, my hon. Friend the Member for Liverpool, West Derby. The first point they made was that we have seen disproportionate growth—Nigeria has in a very short time become one of the countries with the fastest growing number of millionaires—but, unfortunately, that wealth has not been spread across the breadth of the country, and that needs addressing. If strange-shaped buildings could resolve corruption issues, we would all be in a much better place, but tragically, it is not that simple. I align myself with the comments made earlier on that front.

On governance, we have to accept that DFID has done some magnificent work around the 2015 election—the freest and fairest election in Nigeria. Power changed hands with very little trouble, but we cannot be complacent, and that work must continue. I know that there is a plan to continue that work until 2019, and that is clearly important. To address the corruption and governance elements—I hope that the Minister will accept and agree with this point—we must further strengthen institutions across the board. We need to strengthen the judiciary and the rule of law to allow investors and Nigerians to have confidence in the system. We are on the road to that, and I have every confidence that DFID will follow that through to 2019, when the next election will take place.

The two problematic areas where we have concerns are education and electricity, which the hon. Member for Mid Derbyshire mentioned. Education is a universal right. We would all agree that everyone has the right to at least a good primary and secondary education. Unfortunately, that is not the case in Nigeria. The International Development Committee rightly pointed out that 25% of all those between 17 and 22 years old in the north of the country have fewer than two years of education. Just three out of five children will have completed grade 4. Those statistics have led to a dire literacy situation in the country; 85% of girls in the north-east cannot read, and 44% of those who have completed grade 6 are unable to read a complete sentence in English or their preferred language.

Bridge International Academies, which works with DFID, provided evidence to the Committee that stated that 90% of the communities in which it works are able to afford to send their children to school. That is good, but what happened to the children about whom the hon. Member for Mid Derbyshire rightly pointed out that 90% of the children of their school, or do they make a choice and send either their boys or girls to school? The stark reality is that when given that choice, the evidence shows that they are more likely to send boys to school. That further highlights the issue that Members raised about the lack of education offered to girls. Not only does that mean that DFID is supporting work that does not reach the poorest in Nigeria—the very people we should be reaching out to—but it raises further issues about the children who reside in the poorer states, which are often not reached by private education. One figure struck me: the Committee calculates that, on a conservative estimate, sending three children to school would cost $234 in annual fees, in a country where more than half the population lives on less than $2 a day. That is an easy calculation for everyone to make.

If DFID is to support an expansion of private sector education across Nigeria, what will happen to the children in poorer regions of the country, where less than 90% of people can afford schooling? We recognise that private schools are key providers of education in Nigeria, but we are steadfastly opposed to any DFID programme that sees an expansion of private, fee-paying schools in the country, particularly if it is done at the expense of public schools. There is a prevalence of private schools in Nigeria, but that does not mean that DFID has to accept that. I hope that the Minister will tell me what the Department is doing to promote an expansion of public education in Nigeria that can reach the whole population, not just the wealthiest.

Electricity production and distribution is of concern. Access to a stable, secure and reliable electricity network is of great importance, if not an absolute necessity, for promoting growth and freeing households from the burden of self-generation. Despite the immense importance of the electricity sector and Nigeria’s growth rate, the country has the highest number of Africans without access to electricity. DFID clearly recognises that is a problem. If electricity is not supplied to millions of Nigerians, DFID will struggle to fulfil its aims and objectives in the country, so it put in place the Nigeria Infrastructure Advisory Facility.
On the face of it, allocating more than £100 million to help bring light into the homes of 96 million Nigerians seems a positive step, until we look at the details of what the money bought. It brought in Adam Smith International—an international organisation that ultimately advised the Nigerian Government to put Nigeria's electricity production and distribution networks up for sale, with the goal of creating a commercially viable and privately owned power network. While the intentions may have been good, at best the programme proved to be ill designed; at worst, it focused not on the needs of Nigerian consumers, but on private interests. It is putting electricity even further out of reach of many Nigerians, and it is loading purchasers in the energy sector with huge amounts of debt, preventing them from making any meaningful investments in the network. Tariffs had to be raised, rather than lowered, and the situation was so bad that a prominent university, Ahmadu Bello, was forced to cut power for 12 hours a day. Privatisation of the energy sector has not helped poor Nigerians or businesses to get secure access to the electricity network. It is hard to describe the endeavour as anything other than a failure for the poorest in the country.

It has been a year since the report, so I hope that the Minister can shed some light on how the matters it raised have been addressed. DFID has made very strong progress in certain areas of Nigeria. There have been commendable efforts to tackle malaria and neglected tropical diseases, and to strengthen confidence in democratic institutions, but we must address the other issues on which further progress can be made. I look forward to the Minister's response.

3.52 pm

The Parliamentary Under-Secretary of State for International Development (James Wharton): I thank hon. Members for their contributions and the very broad range of issues that they raised. In particular, I thank my hon. Friend the Member for Mid Derbyshire (Pauline Latham), whose tour de force opening comments covered a broad range of subjects—I hope I have been able to note them down sufficiently to answer her questions. In line with her gentle suggestion, if I fail to address any of her questions, I would of course be delighted to enter into further correspondence or discussion with her, as indeed I always am.

I am going to do my very best to go through the broad range of issues that hon. Members have raised, but I am going to base my comments, in the first instance, on my hon. Friend's excellent contribution. She asked some specific questions at the end, but also talked in informative and in-depth terms about the Committee's report and the Government's response. The hon. Member for Glasgow North (Patrick Grady) spoke in his typically witty and engaging way, and said, in a politically carefully worded phrase, that the Government were partially in agreement. I think that is probably fair. To be partially in agreement is often that for which we were partially in agreement. I think that either I would be wrong or he would be right—I am not sure which it would be.

My hon. Friend the Member for Mid Derbyshire talked about power. I will start there, as the shadow Minister chose to end there. Power sector reform is crucial for Nigeria. I do not need to remind hon. Members that power supply can be a key prequisite for sustainable growth. I am sure they are aware that in early 2016 Nigeria's power sector supplied an all-time record amount of power, but that since then disruption, and even terrorist activity in some cases, has impacted on its capacity. However, I am pleased to inform the House that supply levels are approaching those of early 2016.

We are clear that reform is needed. It is clear that significant investment is needed in Nigeria's power system. Over 60% of Nigerians do not have grid connection, which holds back economic growth. Intermittent supply presents real challenges for those who wish for certainty and investment. Reform was necessary. The shadow Minister alluded to the involvement of the occasionally controversial Adam Smith International, which has had its fair share of coverage. We are reviewing some of our relationships with it.

It is important to recognise that there are pluses and minuses to all change. Along with the price increases that have come from privatisation and the removal of some of the artificial subsidy within the power system, fixed charges for those who do not use power have been removed, and the lowest volume users have been protected through reforms that have taken place. Much more needs to be done for the power sector in Nigeria. We need to build on the reforms we have seen and continue to review and improve on changes that have been made. The interest that hon. Members take is welcome.

We have had a wide-ranging discussion about the importance of education. The Girls' Education Project, which is in phase 3 in Nigeria, is one of the programmes that DFID in the UK supports. As my hon. Friend the Member for Mid Derbyshire recognised, it has seen reform and improvement and is now an A-rated programme, having had some issues in the past. We are helping more than 23,000 girls to stay in education through small cash transfers, which we discussed in the previous debate and which was raised in particular by the shadow Minister. There is no doubt that a significant amount needs to be done and that education is important in driving change and ensuring that a country such as Nigeria can develop its way out of some of the challenges it faces.

The sixth question asked by my hon. Friend was about sustainable development goal 4, which was also raised by the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) and for Liverpool, West Derby (Stephen Twigg) and my hon. Friend the Member for Stafford (Jeremy Lefroy). There is no doubt that there has been insufficient progress to date in Nigeria on education. Access increased by only 4% between 2003 and 2013, and the poorest are even less likely to complete schooling. That is why education is a real focus for DFID in Nigeria and why we have the programmes we have. However, it would be unrealistic not to recognise the scale of the challenge and the fact that more needs to be done and constant scrutiny is required. I welcome the work of the International Development Committee in that space.

Jeremy Lefroy: The Minister will know that African countries committed quite a long time ago—I think it was in the early 2000s—in the so-called Abuja declaration to spend 15% of their budgets on health. Indeed, some of them, including Rwanda, have reached that target. We are not far short of it. That commitment was made in Nigeria. Does he agree that it would be very welcome if
a similar commitment were made by sub-Saharan African countries and other developing countries around the world to spend a specific amount of their budgets on education, which we have seen far less commitment on than health?

James Wharton: My hon. Friend makes a relevant and important observation. The long-term sustainability of education in countries such as Nigeria must be founded on Government support and investment. We want to see and encourage more of that. We can offer direct support, as we do now, for those who need to benefit from it. We can offer technical assistance and support in training teachers and establishing curricula. However, for long-term sustainability, domestic Government support is required. My hon. Friend’s suggestion deserves a good airing and consideration, and I suspect we have not heard the last of it.

My hon. Friend the Member for Mid Derbyshire mentioned the Chibok girls. That issue caught the attention and imagination, in the most dire of circumstances, of much of the broader global community. It has drawn attention to the terrible conflict in north-east Nigeria and the effect of Boko Haram not only there but in neighbouring countries. I will go on to talk about some of the challenges with the humanitarian response that is required, but specific questions have been asked about the girls by hon. Members, including the hon. Member for East Kilbride, Strathaven and Lesmahagow. One hundred and ninety-five of them remain to be released, which is a significant number. There are significant challenges in addressing that. Much of north-east Nigeria remains a challenging area in which to operate. Boko Haram is not yet defeated, although there are some signs of progress. The UK provides significant support in that work, including a recent commitment of a further £5 million in funding. We offer and indeed give training to the Nigerian armed forces; more than 20,000 personnel of the armed forces have now received training supported by the UK Government. We must continue to fight radical terrorism in all its guises. Today of all days, I do not need to remind right hon. and hon. Members of that or of the scale of the threat faced by so many people throughout the world. The Chibok girls are a stark and poignant reminder of the scale of the challenge that many countries face.

Many others are of course affected by the conflict in the north-east, Boko Haram and the other challenges there, but I am pleased that we are playing the role we are playing, even though I am not pleased that it has not been possible to make more progress. However, we will continue to focus our efforts in that area and to provide appropriate support that can make a difference in the medium and longer terms.

The humanitarian crisis is a significant one. About 5.1 million people face a severely difficult environment; they face food insecurity. If we take no action, we estimate that somewhere in the region of 90,000 children could die. That is a stark and worrying figure, and one with which the world and the global community must engage. Indeed, I am pleased to recognise that the global community did engage at the recent conference in Oslo and has committed a significant contribution to the amount of funding that is needed: more than $400 million has been committed. More is needed, and we expect more to be committed in due course, but the $1 billion target has none the less not yet been reached.

The Government of Nigeria, however, have made their own commitment to spend $1 billion in the north-east. We recognise that that is a welcome announcement and that it gives the Government of Nigeria an opportunity to present themselves as a true world leader in this space, and Nigeria as a country that is serious about humanitarian issues and about tackling the problems it finds within its own borders. We must encourage them to do so, so their announcement is welcome. We look forward to working with them to ensure that the money materialises and is spent in the right way, so as to have the maximum beneficial impact that it can. I expect we will see further announcements on this over the weeks and months to come.

I thank those right hon. and hon. Members who have taken the time to meet me, whether one to one in recent weeks or at the drop-in session that I held with officials to brief interested Members of this House and the other place on the work of this Government, on the broader situation in north-east Nigeria and on the other famines throughout the globe, in particular in Africa, in what is set to be a very challenging year indeed.

The fifth question of my hon. Friend the Member for Mid Derbyshire was on strengthening joined-up working across UK Government Departments. In the nine months at the Department for International Development, I have been pleasantly surprised by the extent to which that already takes place. I am keen to drive it further and I have regular discussions with my counterparts in the Department for International Trade and the Foreign and Commonwealth Office, and have had meetings with Ministers and officials at the Ministry of Defence, to discuss a broad range of issues across the portfolio that I oversee. That has included discussions about the situation in Nigeria. We need to continue to drive cross-Government collaboration, to break down silos and to make a reality of one HMG.

The truth is that, when people look at UK Government engagement, they do not see the Foreign and Commonwealth Office, the Department for International Development, the Ministry of Defence or whatever it might be; they see the UK Government, the role they play in the world and the contribution that they can make. Together we can make a greater contribution than in our individual departmental parts. I recognise that. It is a message that I reinforce continually to the teams for which I am responsible in DFID. It is an area in which we are making significant progress but, following this debate, I will take the opportunity to continue to push it, because it is one in which we can always do more. The more we can do, the greater the net achievement will be.

Many hon. Members have spoken about health and health systems. I particularly recognise the comments made by my hon. Friend the Member for Stafford on the importance of tackling malaria. I commend him for the work he does; he supports this area of debate and activity and the work of Government in this area in particular. He is aware of the Support to National Malaria Programme—SuNMaP—in which the UK Government are engaged in Nigeria. That £50 million contribution—the figures underline the importance of our work to tackle malaria on a global scale—aims to reduce the number of children who will die before their fifth birthday from 128 in every 1,000 to 80 in every 1,000 by 2022. Eighty is still far too high, but it underlines the significant threat that malaria in particular poses to
so many of the world’s poorest children and to developing nations. It is a disease that we can beat and are committed to beating. I am pleased that this is an area in which, along with the UK’s part in the Global Fund, programmes such as SunMaP are making such a significant contribution.

My hon. Friend also mentioned neglected tropical diseases—another very important point and one that is not lost on the Secretary of State, who is very keen to pursue further work in the area.

Our programme in Nigeria being our second largest bilateral programme in Africa, it is one in which I take a very keen interest as the responsible Minister. In recent weeks, I have had significant and in-depth discussions with our teams, including in Nigeria, going line by line and component by component through the programmes that DFID supports there and talking about our strategy for the future and where we need to go to have the maximum impact with the money that we spend.

The hon. Member for East Kilbride, Strathaven and Lesmahagow, in particular, talked about the need for a strategy—the need to see where we can make a long-term difference. I can assure her that that message is not lost on me as the responsible Minister or on our team in country, with whom I have been having those discussions. We expect to see changes as a result of those discussions, but it would perhaps be premature for me to pre-empt now what they might be. However, she is absolutely right to say that we need a ruthless focus on value for money, on where we can make a difference and on the impact that we can have. We need to ensure that we identify those programmes that are working and those that could work better, either change or close programmes and then reinvest to ensure that we get the maximum impact we can.

We need to recognise that there are big challenges in countries such as Nigeria. Corruption, which was mentioned by several hon. Members, is a key cause of poverty and a key factor that can hold back development. It is not like me to disagree with the former Prime Minister about much—actually, in effect, I do not disagree with him about this—but corruption cannot, in any context, be fantastic. To be fantastically corrupt is to be terribly so. That, of course, is what he really meant, and the attention that he drew to the issue was welcome. We have significant programmes, including Anti-corruption in Nigeria—ACORN—and PERL, the Partnership to Engage, Reform and Learn, both of which engage with government structures and civil society groups, through which we are working both to empower people to tackle corruption when they see it, and to ensure that institutions have the tools to address it.

Several references were made to particular individuals and individual cases. With hon. Members’ permission, I will not talk about those cases, because many are live, but they make clear the point that we need to pursue corruption wherever it might hide, from the lowest to the highest levels, without fear or favour. We must always be alert to the risk that anti-corruption work will be focused on the political enemies of the people who control the direction of that work, and we are. We should be proud of what we do in this area. The work that we do to tackle corruption is an absolutely necessary and vital prerequisite for securing the long-term sustainable growth that we all want to see delivered and we all recognise Nigeria has the potential to secure.

Nigeria is a relatively affluent country in its region. It is blessed—or perhaps cursed—with significant natural resources. It accounts for about a quarter of the population of sub-Saharan Africa. It presents one of the greatest opportunities for growth and one of the greatest dangers of instability on that continent. We are right to be engaged there, we are right to play a key role given our historical ties and the country’s importance for the future, but we are also right to scrutinise what we do and to hold to account those who are responsible for it.

I therefore welcome the Committee’s work and thank hon. Members for their contributions and questions. I hope that I have addressed most of the points that my hon. Friend the Member for Mid Derbyshire raised, but I know that she will take me up on any that I omitted to comment on. I look forward to continuing our work and the positive and constructive dialogue that we have had today as we all strive to improve life and realise the opportunities that exist for the people of Nigeria. Nigeria is a friendly and important nation that I hope we will continue to trade with, and I am confident that its economy will become further entwined with that of the UK as both nations develop and march forward into the world in a way that will deliver benefits for both our peoples.

4.10 pm

Pauline Latham: I thank the members of the Committee who contributed to this important debate and in particular our Chairman, the hon. Member for Liverpool, West Derby (Stephen Twigg), who secured both of this afternoon’s debates. He is always a good speaker who covers many salient points, and his contribution in both debates, but this one in particular was well made.

The hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) covered many personal parts of the visit we had to Nigeria, which was an important visit for the Committee. I and many people had not been there before, so it was certainly an eye-opener into a very large country with many, many associated problems. My hon. Friend the Member for Stafford (Jeremy Lefroy) is always comprehensive. As the Minister said, he covered all aspects of malaria and neglected tropical diseases. Coming from his position as chairman of the all-party parliamentary group on malaria and neglected tropical diseases, he ensures at every possible opportunity that no one forgets that those issues are incredibly important to the people of Africa.

I also thank the hon. Member for Glasgow North (Patrick Grady) for his contribution—he is unfailing in turning up to all of these debates—and the shadow Minister, the hon. Member for Bradford East (Imran Hussain), who showed through his contribution that he had done much research into what we have been talking about and knew many of the issues surrounding the people in Nigeria.

I particularly thank the Minister, who covered pretty much everything asked of him. I am sure he will forensically look with his officials for anything he might have missed. I do not think he did, but he may have missed little bits and, if he did, I am sure he will come back to us. I thank him for his openness in allowing us to talk to him about any issue at any time and for always finding time for
those of us who wish to get up to speed with what is happening in the Department. It has been a worthwhile debate, and I commend it to the House.

*Question put and agreed to.*

*Resolved,*

That this House has considered the Second Report of the International Development Committee, DFID’s programme in Nigeria, HC 110, and the Government response, HC 735.

4.13 pm

*Sitting adjourned.*
Written Statements

Monday 13 March 2017

TREASURY

ECOFIN: 21 February 2017

The Chief Secretary to the Treasury (Mr David Gauke):
A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Brussels on 21 February 2017. EU Finance Ministers discussed the following items:

Early morning session

Ministers were briefed on the outcomes of the 20 February meeting of the Eurogroup, and the European Commission presented an update on the current economic situation following the publication of the Commission’s winter forecasts on 13 February. Ministers also discussed points of clarification in relation to the intergovernmental agreement on the single resolution fund.

Anti-tax avoidance directive

Ministers reached a general approach to the second anti-tax avoidance directive (ATAD2).

Current financial service legislative proposals

The Council presidency provided an update on current legislative proposals in the field of financial services.

Criteria and process leading to the establishment of the EU list of non-co-operative jurisdictions for tax purposes

Following the Council conclusions agreed at ECOFIN on 8 November 2016, Council endorsed a state of play report by the Council secretariat.

Preparation of the G20 meeting of Finance Ministers and central bank governors on 17-18 March 2017 in Baden-Baden

Ministers mandated the Economic and Finance Committee (EFC) to finalise the EU terms of reference for the next meeting of G20 Finance Ministers and central bank governors.

Discharge to be given to the Commission in respect of the implementation of the budget for 2015

On the basis of a report from the European Court of Auditors, Ministers approved a Council recommendation to the European Parliament on the discharge to be given to the Commission in respect of the implementation of the 2015 budget.

Budget guidelines for 2018

Ministers adopted Council conclusions on the guidelines for the 2018 budget, which will serve as a point of reference in the forthcoming budgetary cycle.

HOME DEPARTMENT

National Crime Agency: Contingencies Fund Advance

The Secretary of State for the Home Department (Amber Rudd): The National Crime Agency (NCA) is seeking an advance from the Contingencies Fund under category D of the supply estimates guidance manual to meet its cash funding obligations in advance of Royal Assent to the Supply and Appropriation (Anticipation and Adjustments) Bill. Contingencies Fund advances are sometimes used by Government Departments to manage cash flows, and in this case will be repaid to HM Treasury before the end of the financial year.

Parliamentary approval for additional resources of £14,971,000 and cash of £22,029,000 has been sought in a supplementary estimate for the National Crime Agency. Pending that approval, urgent expenditure estimated at £37,000,000 will be met by repayable cash advances from the Contingencies Fund.

WORK AND PENSIONS

Employment, Social Policy, Health and Consumer Affairs Council: 3 March 2017


The Council held an orientation debate on the proposal for a regulation of the European Parliament and of the Council, amending regulation 883 on the co-ordination of social security systems, and regulation 987 laying down the procedure for implementing regulation 883. The Council also held a policy debate on the European semester, including on the implementation of country-specific recommendations.

The Council adopted Council conclusions on the 2017 annual growth survey and joint employment report, and adopted the joint employment reports. As part of this, the Commission presented the 2017 country reports, which had been published on 22 February 2017. The Council adopted Council conclusions on enhancing the skills of women and men in the EU labour market. The Commission and the presidency gave a joint presentation on the tripartite social summit.

Under any other business, the Commission presented a communication on modernisation of the EU occupational safety and health legislation and policy, and information in follow-up to their recent communication on investing in Europe’s youth. The presidency presented the state of play of the legislative proposal on posting of workers and a number of member states intervened to set out their views on the proposal.

The Chairs of the Employment Committee (EMCO) and the Social Protection Committee (SPC) detailed their respective work programmes for 2017. The European Institute for Gender Equality set out the key findings of their study titled “Economic benefits of gender equality in the EU”. Finally, the Portuguese delegation gave information on the upcoming UNECE International Conference “A sustainable society for all ages: Realising the potential of living longer”, which will take place in Lisbon on 21-22 September 2017.

[HCWS526]
[HCWS527]
Universal Credit

The Secretary of State for Work and Pensions (Damian Green): Universal credit full service for all types of claimants continues to roll out to plan. It is now being delivered in 50 jobcentres and is the Department’s first fully digital service.

We have been exploring how this technology can, for the first time, offer a simple system of explicit consent (to protect the large amounts of claimant personal information held under universal credit) but which is easy to use and takes advantage of the opportunities a digital service can offer. Such a system can be used by third parties and stakeholders representing claimants’ interests, enhancing the service that they can provide for the most vulnerable.

However, it is clear MPs engaging on their constituents’ behalf need constant access to such a system through which they can help their constituents. Today, I have agreed that the implicit consent approach which operates well for all other DWP benefits can be extended to MPs representing the interests of their constituents who are engaging with or directly claiming universal credit. We can offer this because of our pre-existing relationships between MPs’ offices, district managers and their teams. This is something which cannot pertain for inquiries from other sources.

This means any correspondence—letter, email, or telephone inquiries—from MPs on behalf of a constituent relating to universal credit will be answered directly, without a requirement to seek explicit consent from their constituent. This will ensure consistency and clarity for MP offices, no matter what benefit the inquiry is about.

Extending this support for MPs and their constituents will continue to help enable the successful delivery of this key welfare reform programme.

[HCWS528]
Written Statements

Tuesday 14 March 2017

CULTURE, MEDIA AND SPORT

EU-US Umbrella Agreement

The Minister for Digital and Culture (Matt Hancock): The Department for Culture, Media and Sports (DCMS) is responsible for the Government’s participation in European negotiations on the EU-US Umbrella agreement, which is a comprehensive data protection framework for criminal law enforcement co-operation. A scrutiny override occurred when the UK voted in favour of the conclusion on the agreement before the European Scrutiny Committee could complete the process of scrutiny on the agreement. The proposal was:

Proposed Council Conclusion on the conclusion, on behalf of the European Union, of an agreement between the United States of America and the European Union on the protection of personal information relating to the prevention, investigation, detection and prosecution of criminal offences (8491/16).

The UK voted in favour of the conclusion on the Umbrella agreement. This triggered an override, which was induced by the deadline being brought forward to ensure the conclusion was concluded in time for the EU-US Justice and Home Affairs Ministerial summit in Washington DC on 6 December. With the accelerated timetable and the timing of the scrutiny Committee meetings, it meant that they could not consider our update in advance of their meeting and so the appropriate parliamentary scrutiny procedure was not possible on this occasion.

The key elements of the agreement are:

- a provision to increase, if necessary, the volume of free allowances allocated to support industrial sectors at risk of carbon leakage (where production relocates outside of the EU as a result of carbon costs);
- two provisions to strengthen the carbon price—increasing the rate at which allowances are removed from the market and placed in a reserve, and, from 2024, annually cancelling allowances within the reserve above a certain threshold.

The UK Government consider this to be a balanced package that incentivises cost-effective carbon reduction, while safeguarding the competitiveness of UK industry. The agreement to reform the EU emissions trading system is a positive step forward in collaboration with our European partners to reduce emissions across all sectors.

The European Parliament reached an agreed position on EU ETS reform on 15 February. The file will now progress to the next stage of negotiations, “trilogies”, where member states (represented by the presidency), European Parliament and the Commission negotiate a final agreement on the reform package.

2030 Agenda for Sustainable Development

Council discussed the implementation of the 2030 Agenda for Sustainable Development, following the publication of a Commission communication in November 2016. The Commission presented its ongoing work including the use of better regulation tools and the regulatory scrutiny board to ensure coherence across policy areas within the 2030 agenda. Many member states highlighted the need for greater co-ordination between policy areas and the need to mainstream the
environmental dimension of the 2030 agenda into other policy areas. The UK called on the Commission to focus on the coherence of existing mechanisms. The presidency circulated a brief summary of the exchange of views that would serve as a contribution to a forthcoming discussion at the General Affairs Council.

**EU environmental implementation review**

Ministers exchanged views on the 2017 annual growth survey (AGS) in the context of the European semester and how it links with the environmental implementation review (EIR). While most Ministers welcomed the 2017 AGS, particularly aspects including sustainable and climate-related investment and the transition towards a low-carbon and circular economy, some regretted that environmental and sustainability aspects were still not given a more prominent role in the AGS. They also underlined the importance of stronger links with wider EU environmental policy. Ministers broadly welcomed the Commission’s new EIR as a useful tool to improve the implementation of EU and national environmental policy and as a contribution to the greening of the European semester. Some member states underlined the need for national reports to be based on sound scientific data.

**AOB items**

**AOB—Emission trading system (ETS): aviation**

The Commission presented its proposal on the future of aviation in the EU emission trading system (ETS) post-2016. The proposal recommends a continuation of the reduced, intra-EEA scope of aviation in the ETS beyond 2016. This would mean that the current rules would remain unchanged. The proposal also requires the Commission to conduct a further review once there is more certainty about the rules for the global market-based measure (GMBM) for aviation, and to make recommendations for aviation ETS in the post-2020 period.

**AOB—Paris agreement: international developments**

The delegations from France and the Netherlands provided information on international developments regarding the implementation of the Paris agreement.

**AOB—EU action plan for the circular economy**

The Commission provided an update to the Council on the EU action plan for a circular economy.

**AOB—Natura 2000 in the European Solidarity Corps**

The Commission provided information to Council on Natura 2000 and the European Solidarity Corps.

**AOB—Luxembourg circular economy hotspot (June 2017)**

The delegation from Luxembourg provided information on its upcoming circular economy hotspot event in June 2017.

**AOB—Environmental concerns regarding Belarus nuclear power plant**

The delegation from Lithuania noted its concerns regarding a nuclear power station in Belarus. The Commission highlighted the importance of compliance with international law on nuclear safety.

**AOB—Scientific conference on “Sustainable Development and climate changes in the light of the encyclical letter of Holy Father Francis, entitled “Laudato Si’”**

The delegation from Poland provided information on the conference on sustainable development in light of the papal encyclical “Laudato Si’”.

**AOB—Update on the environmental liability and mining waste directives**

The delegation from Hungary—supported by Poland—provided information to the Council on the environmental liability directive and the mining waste directive.

On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU.

[HCWS529]

**EXITING THE EUROPEAN UNION**

**General Affairs Council**

The Minister of State, Department for Exiting the European Union (Mr David Jones): I attended the General Affairs Council on 7 March 2017. The meeting was held in Brussels and chaired by the Maltese presidency.


**Preparation of the European Council of 9 March 2017**

The Council examined the second draft of conclusions for the March European Council. The discussions focused on: jobs, growth and competitiveness; security and defence; migration; and external relations.

On jobs, growth and competitiveness, and the European Council’s discussion on the sustainability of the economic growth in the 28 member states, I welcomed the positive signs on the economy and set out our strong support for completion of the digital single market. I supported the calls from other member states for further ambition on EU trade policy.

On security and defence, and the European Council’s assessment of the implementation of its December 2016 conclusions, I expressed my support for the balanced nature of the text and stated that any changes should be within the parameters set out at the December European Council.

On migration, and the review of how decisions taken at the informal summit in Malta on 3 February 2017 concerning the central Mediterranean route have been implemented, I welcomed the focus on continued
engagement with source and transit countries. I also stated that there needed to be a stronger focus on breaking smugglers’ business models.

The external relations agenda item proposed a discussion on the western Balkans. I pressed for more co-operation with the western Balkans, including strategic communications, to tackle organised crime, third country interference and radicalisation.

**European Semester 2017**

The presidency presented its synthesis report on the European Semester and suggested that it sends its recommendation on the economic policy of the euro area to the European Council for adoption.

**Implementation of the inter-institutional agreement on “better law making”**

The presidency updated the Council on the implementation of the inter-institutional agreement on “better law making”. Good progress had been made and would be monitored three times a year. The June General Affairs Council meeting will provide a comprehensive overview of implementation.

**Mid-term review of the Multiannual Financial Framework 2014-2020**

The Council agreed to approach the European Parliament with proposed amendments to the mid-term review of the multiannual financial framework for 2014-2020. The UK abstained on this point.

**HOME DEPARTMENT**

**Independent Police Complaints Commission**

The Minister for Policing and the Fire Service (Brandon Lewis): I am pleased to announce that today my hon. Friend the Financial Secretary to the Treasury, and I are publishing the Independent Police Complaints Commission (IPCC) annual report and accounts [HC 450]. Copies of the report have been laid before the House and will be available in the Vote Office.

This is the twelfth annual report from the IPCC, covering its work during 2015-16. In this period the IPCC has made good progress as it continues its expansion. It has started more than twice the number of investigations than in 2014-15 and completed 259 cases (139 more than in the previous year). The report also highlights some key investigations the IPCC handled, for example those involving deaths during or following police contact. It also reports on the progress made with the Hillsborough investigations.

As well as covering the police, the annual report also includes a section on the discharge of the IPCC responsibilities in respect of Her Majesty’s Revenue and Customs.

**INTERNATIONAL TRADE**

**EU Informal Foreign Affairs Council**

The Minister for Trade and Investment (Greg Hands): My noble Friend the Minister of State for Trade Policy (Lord Price) has today made the following statement.

The EU informal Foreign Affairs Council (Trade) took place in Brussels on 3 March 2017. I represented the UK at the meeting. A summary of the discussions follows.

**Anti-dumping methodology**

The Commission (Commissioner Malmström) presented its proposal for a new anti-dumping methodology. With a WTO ruling on China’s dispute likely by the end of the year, Malmström called for rapid agreement to avoid a legal vacuum in the EU. She recognised that the challenge was to find an approach that was both fully compliant with WTO rules while retaining effective trade defence measures.

There was broad support for the proposals as a basis for further discussion, while noting the importance of working to get the details right to ensure proportionality, simplicity, effectiveness and legal certainty. I called for the EU to promote openness against protectionist headwinds, and noted the need to respect the interests of consumers as well as producers.

**Autonomous trade measures for Ukraine**

The Commission urged support for its proposed extension of autonomous trade measures for Ukraine. Malmström insisted that the additional quotas would not impact EU markets but would be valuable to Ukraine while difficult economic reforms were under way.

**Multilateral investment court**

Malmström underlined the global interest in amending investor-state dispute arrangements in general, and in the idea of a multilateral investment court (MIC) in particular. Following extensive international outreach conducted jointly with the Canadians, the Commission expected to seek a mandate to launch formal negotiations over the next year. Malmström recalled that the MIC would not provide any new rights for investors but rather ensure a more legitimate means of resolving disputes.

Most member states supported the concept of the MIC, although many emphasised the importance—and potential difficulty—of securing a critical mass of global and cross-stakeholder endorsement.
Written Statements

Wednesday 15 March 2017

TREASURY

Money Laundering, Terrorist Financing and Transfer of Funds Regulations

The Economic Secretary to the Treasury (Simon Kirby):
The Government have today published draft Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“Money Laundering Regulations 2017”). These regulations transpose the EU fourth money laundering directive (and the Fund Transfer Regulation (FTR) which accompanies it), which seek to implement the international standards set by the Financial Action Task Force.

The Government previously consulted on the transposition of the fourth money laundering directive (4MLD) and the Funds Transfer Regulation in autumn 2016 and these regulations are accompanied by the Government response to that consultation.

The overall objective of transposition is to ensure that the UK’s anti-money laundering and counter-terrorist financing (AML/CTF) regime is kept up to date and is proportionate. This will enable the UK to have a comprehensive AML/CTF regime and ensure that the UK’s financial system is an increasingly hostile environment for money laundering/terrorist financing (ML/TF).

The Money Laundering Regulations 2017 introduce a number of new and updated requirements on relevant businesses and changes to some of the obligations found under the third money laundering directive (3MLD). The FTR updates the rules regarding information on payers and payees accompanying transfers of funds, in any currency, for the purposes of preventing, detecting and investigating ML/TF, where at least one of the payment service providers involved in the transfer of funds is established in the EU.

The Money Laundering Regulations 2017 have been informed by the responses submitted to the autumn 2016 consultation, and the call for evidence on the anti-money laundering supervisory regime in 2016, Changes introduced by the Money Laundering Regulations 2017 include:

- Her Majesty’s Revenue and Customs (HMRC) acting as a registering authority for all trust and company service providers (TCSPs), who are not registered by the Financial Conduct Authority (FCA);
- an extension of the fit and proper test to agents of money service businesses (MSBs), which will be carried out by HMRC;
- the exemption of all gambling service providers from the requirements of the directive, except remote and non-remote casinos. The national risk assessment found that, while ML/TF risks exist in the gambling sector, it is relatively lower risk than other regulated sectors, partly because risks are mitigated by licensing conditions and robust supervision. The Government will regularly review their position on the ML/TF risk that gambling providers present;
- a decision not to allow pooled client accounts to be automatically subject to simplified due diligence, but instead for this to be applied on a risk-based approach;
- clarification and enhancement of the obligations on money laundering supervisors.

So as to address concern about the disproportionate application of enhanced due diligence measures (EDD) to politically exposed persons, their family members and known close associates, the Government are also requiring firms to take a proportionate approach to EDD. The Money Laundering Regulations 2017 make it clear that firms must assess the level of risk associated with a particular person and assess the extent of the EDD to be applied to that person. In the Government’s view it is not acceptable for firms to refuse to establish a business relationship or carry out a transaction based solely on anyone’s status as a PEP and this was never the intention of 4MLD. Firms must form their own view of the risks associated with individual PEPs, their family members, and known close associates on a case-by-case basis, but the Government would expect that PEPs entrusted with prominent public functions by the UK should generally be treated as lower-risk, and that firms should apply EDD accordingly.

This approach will complement the important provisions put forward by my hon. Friend the Member for Broxbourne (Mr Walker) and accepted by the Government in the Bank of England and Financial Services Act 2016. The FCA will also shortly publish draft guidance on how firms should apply EDD to PEPs, their family members and known close associates.

Alongside the draft Money Laundering Regulations 2017, the Government have also published a response to the consultation on the anti-money laundering supervisory regime. Inconsistent supervision was highlighted by the UK’s national risk assessment as a weakness. The Money Laundering Regulations 2017 impose clearer obligations on supervisors and this publication announces a new office for professional body AML supervision to work with professional body supervisors to help, and ensure, compliance with the new Money Laundering Regulations 2017. Views on the powers this new office should have to carry out this task effectively are requested by 26 April.

The draft Money Laundering Regulations 2017 are open to consultation until 12 April. We expect the regulations to come into force on 26 June.

Both documents can be found at: https://www.gov.uk/government/publications/departments%5B%5D=hm-treasury&%5B%5D=consultations. [HCWS337]

COMMUNITIES AND LOCAL GOVERNMENT

Homelessness

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):
At autumn statement 2015 the Government announced that the Department for Work and Pensions (DWP) temporary accommodation management fee would be replaced by increased funding to local authorities to give them more control and flexibility to tackle homelessness.
I am pleased to inform you that we have today announced the allocations for the Department for Communities and Local Government’s new flexible homelessness support grant which will replace the DWP fee from April this year. The total funding over two years is £402 million. Attachments with details of allocations and methodology can be found online.

We have published the funding allocations for the grant over two years so councils will know with more certainty how much they will receive under the new system. We will announce allocations for 2019-20 during 2017-18. The funding has been allocated according to a formula which reflects relative homeless pressures, while at the same time aiming to protect local authorities which currently have high levels of temporary accommodation.

No authority will receive an annual allocation less than we estimate they would have received under the DWP fee—assuming rising levels of demand.

The new grant gives councils more control and flexibility over homelessness budgets. It forms part of the Government’s end-to-end approach to tackling homelessness, helping both those at risk of homelessness and those experiencing a crisis. It sits alongside other funding for homelessness, including the £315 million homelessness prevention funding, our recently announced £50 million homelessness prevention package and the £61 million new burdens funding for the Homelessness Reduction Bill introduced by my hon. Friend the Member for Harrow East (Bob Blackman), which will significantly reform England’s homelessness legislation and ensure that more people get the help they need to prevent them becoming homeless.

In order to manage the transition to a new funding regime carefully, we are ring-fencing the grant for two years to ensure it is spent on homelessness services.

In recognition of the particular challenges faced by London boroughs, we have set aside £25 million of the funding over the next two years. Before making final decisions on the allocation of this funding we will work with the Greater London Authority and London boroughs to consider ways of helping councils to collaborate in the procurement of accommodation for homeless households.

In designing the grant, we worked with local housing authorities across the country, including all London boroughs.

The attachments can be viewed online at:
http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-03-15/HCWS538/.

[HCWS538]

DEFENCE

Baseline Profit Rate 2017-18

The Secretary of State for Defence (Sir Michael Fallon): I am today announcing that I have set the baseline profit rate for single source defence contracts at 7.46%, in line with the rate recommended by the Single Source Regulations Office (SSRO). I have also accepted the methodology used by the SSRO to calculate this figure.

I am also announcing new capital servicing rates and an SSRO funding adjustment as recommended by the SSRO, which can be found in table 1 below. These rates have also been published in the London Gazette, as required by the Defence Reform Act 2014, and will come into effect from 1 April 2017.

Table 1: Recommended Rates agreed by the Secretary of State for Defence

<table>
<thead>
<tr>
<th>Element</th>
<th>2016 rates</th>
<th>2017 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline profit rate (BPR) (%) on contract cost</td>
<td>8.95%</td>
<td>7.46%</td>
</tr>
<tr>
<td>Fixed capital servicing rate (%) on fixed capital employed</td>
<td>5.08%</td>
<td>4.84%</td>
</tr>
<tr>
<td>Working capital servicing rate (%) on positive working capital employed</td>
<td>1.40%</td>
<td>1.37%</td>
</tr>
<tr>
<td>Working capital servicing rate (%) on negative working capital employed</td>
<td>0.73%</td>
<td>0.59%</td>
</tr>
<tr>
<td>SSRO funding adjustment</td>
<td>n/a</td>
<td>-0.02%</td>
</tr>
</tbody>
</table>

Taxpayers can be confident that we are getting value for money as our defence budget rises by 0.5% above inflation each year of this Parliament and we deliver our £178 billion equipment programme. The defence sector is important for our prosperity, supporting highly skilled jobs, and this rate provides a fair return comparable with that in other international markets.

[HCWS535]

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council

The Minister for Europe and the Americas (Sir Alan Duncan): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs and my right hon. Friend the Secretary of State for Defence attended the joint session of the Foreign Affairs Council (Foreign and Defence Ministers) on 6 March. The Council was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini. The meeting was held in Brussels.

Foreign Affairs Council

A provisional report of the meeting and conclusions adopted can be found at:

The meeting covered a joint session with Foreign and Defence Ministers on defence. The foreign policy agenda featured Egypt, the western Balkans and the middle east peace process. Ministers also touched briefly on migration.

Defence

EU Foreign and Defence Ministers held a joint session to take forward the European Council conclusions of 15 December 2016. The discussion covered: improving the functioning of non-executive military (training) missions through the establishment of a military planning and conduct capability; permanent structured co-operation for better joint capability development; and the co-ordinated annual review on defence. Defence Ministers also discussed the strategic outlook for the EU’s common security and defence policy. The Defence Secretary emphasised the need for EU initiatives to complement NATO and to respect member states’ competence on defence issues.
He underlined the UK’s significant contribution and continued commitment to European security and defence, including meeting NATO’s target of 2% of GDP. He stressed the need for European partners to increase national defence spending.

**Egypt**

Over lunch, Ministers discussed EU-Egypt relations with the Egyptian Foreign Minister Sameh Shoukry. They discussed political developments, economic reforms, co-operation in various sectors, including counter-terrorism and migration, as well as Egypt’s role in the region, with a particular focus on Libya, Syria and the middle east peace process.

**Western Balkans**

Ms Mogherini briefed the Council on her recent visit to the region. Ministers welcomed the increased EU engagement. They also discussed the challenges facing the western Balkans including increasing tensions, worsening political dynamics and a growing use of inter-ethnic and nationalist rhetoric, compounded by the role of third parties, socioeconomic difficulties and a perception of EU and US disengagement.

**MEPP**

Foreign Ministers discussed issues relating to the middle east peace process. The Council discussed preparations for the next EU-Israel Association Council.

The HRVP suggested the Council consider holding a similar high-level meeting with the Palestinians.

Ministers agreed without discussion a number of measures:

- The Council adopted conclusions on “Implementing the EU global strategy—strengthening synergies between EU climate and energy diplomacies”.
- The Council adopted the EU guidelines for promotion and protection of the rights of the child (2017)—Leave No Child Behind.
- The Council took note of the 18th annual report defining common rules governing controls of exports of military technology and equipment.
- The Council adopted the updated military list of the EU in line with the provisions of the common position on arms exports.
- The Council adopted the EU-Algeria partnership priorities to be adopted at the EU-Algeria Council, which took place on 13 March.
- The Council adopted the EU position for the Association Council with Algeria, which took place on 13 March.
- The Council approved a concept note on the operation planning and conduct capabilities for CSDP missions and operations.

[HCWS536]
Written Statements

Thursday 16 March 2017

COMMUNITIES AND LOCAL GOVERNMENT

Tower Hamlets

The Secretary of State for Communities and Local Government [Sajid Javid]: On 17 December 2014, my predecessor, the then Secretary of State for Communities and Local Government, issued specific, targeted directions to the London Borough of Tower Hamlets using his powers under Section 15 of the Local Government Act 1999.

At that time a team of commissioners was appointed to exercise specific functions of the authority. Although initially progress was slow, more recently I have been pleased to return selected functions back to the council. I am now considering the overall progress of the council in anticipation of these directions ending on 31 March of this year.

In line with the council's own expectations, I am considering withdrawing the three commissioners from the Borough and, in support of the recent progress made by the council, maintaining an oversight role through a new general direction. The new direction allows for continued oversight of electoral administration. The Government have invited expressions of interest from local authorities on piloting the use of ID in polling stations in the 2018 local elections. As part of wider steps to strengthen electoral integrity in the Borough, I would welcome Tower Hamlets' participation.

I have received assurances from the Mayor of Tower Hamlets both in his fourth six-monthly report of 20 February, and in person on 27 February, that he is confident the council is now in a position to drive forward and deliver their own improvement agenda.

This view is endorsed by the commissioners in their report of 21 February which I have carefully considered and discussed with them on 27 February.

I am minded therefore to exercise my powers under Section 15 of the Local Government Act 1999 to revoke the direction of 14 December 2014, end the role of commissioners in the council and hand back executive functions to the Executive Mayor with the proviso that the council delivers all outstanding actions in their best value action plan and the setting up of a best value improvement board as outlined in the Mayor's letter of 1 March.

I am minded also to direct the council to provide quarterly reports against their best value action plans for a further 18 months; and at the end of this period to carry out an independent review of delivery. As with all councils, the London Borough of Tower Hamlets must abide by the best value duty.

This is a significant step forward for Tower Hamlets Council—it has made considerable progress over the past few months. I am pleased that the guidance of the commissioner team has played such a material role in putting Tower Hamlets on the right road to allow it to take on its rightful functions.

I am inviting the council to make representations on these proposals, which will be considered as part of my final decision.

I am placing a copy of the documents associated with these announcements in the Library of the House and on my Department's website.

HEALTH

NHS Prescriptions, Dental Treatment, and Wigs and Fabric Supports: Charges

The Minister of State, Department of Health [Mr Philip Dunne]: As at the start of previous financial years, regulations will today be laid before Parliament to increase certain national health service charges in England from 1 April 2017.

The prescription charge will increase by 20p from £8.40 to £8.60 for each medicine or appliance dispensed. To ensure that those with the greatest need, including patients with long-term conditions, are protected we have frozen the cost of the prescription prepayment certificates (PPCs) for another year. The three-month PPC remains at £29.10 and the cost of the annual PPC will stay at £104, allowing unlimited prescriptions within a specified time period. Taken together, this means prescription charges are expected to rise broadly in line with inflation.

Existing arrangements for prescription charge exemptions will remain in place, principally covering those with certain medical conditions like cancer, epilepsy and diabetes, pregnant women and new mothers, children under 16 and anyone over 60, and those on a low income.

As part of a two-year settlement announced last year, the patient charges for NHS dental care in 2017-18 will be as follows:

- a band one course of treatment and urgent treatment will increase by 90p from £19.70 to £20.60;
- a band two course of treatment will increase by £2.40 from £53.90 to £56.30;
- a band three course of treatment will increase by £10.60 from £233.70 to £244.30.

The maximum band three charge is for the approximately 5% of treatments that include items such as crowns or bridges.

Charges for wigs and fabric supports will rise in line with inflation.

Full details of the revised charges for 2017-18 can be found online at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-03-16/HCWS543/

HOME DEPARTMENT

Disclosure and Barring Service

The Parliamentary Under-Secretary of State for the Home Department [Sarah Newton]: The 2015-16 annual report and accounts for the Disclosure and Barring Service (HC 451) are being laid before the House today and published on www.gov.uk. Copies will be available in the Vote Office.
Security Industry Authority

The Minister for Policing and the Fire Service (Brandon Lewis): The 2015-16 annual report and accounts for the Security Industry Authority [HC 1088] are being laid before the House today and published on www.gov.uk. Copies will be available in the Vote Office. [HCWS540]

Immigration Rules

The Minister for Immigration (Mr Robert Goodwill): My right hon. Friend the Home Secretary is today laying before the House a statement of changes in immigration rules [HC 1078].

The changes include a new requirement that individuals over the age of 18, who are applying for entry clearance under the tier 2 general route to work in education, health and social care sectors, must provide a criminal record certificate from any country in which they have lived for 12 months or more in the previous 10 years. This requirement will also apply to the partner of the applicant and a partner applying to join an existing tier 2 migrant in one of these work sectors.

This is the second stage in a phased implementation of the requirement. It currently applies to individuals over 18 applying for entry clearance under tier 1 to come to the UK as entrepreneurs or investors, and their adult dependents. The Home Office will continue to monitor implementation with a view to extending the requirement to other migrants in the future.

On 24 March 2016 the Government announced two phases of reforms to tier 2, following a review by the independent Migration Advisory Committee. The first phase was implemented on 24 November and the changes being laid today implement the second phase of the announced reforms. The changes also update the codes of practice relating to skilled workers, and make other minor updates to the rules for work routes.

Further changes are being made to amend or clarify other provisions in the immigration rules. [HCWS542]
Written Statements

Monday 20 March 2017

TREASURY

ECOFIN: 21 March 2017

The Chief Secretary to the Treasury (Mr David Gauke):
A meeting of the Economic and Financial Affairs Council (ECOFIN) will be held in Brussels on 21 March 2017. EU Finance Ministers will discuss the following items:

Early morning session

The Eurogroup president will brief Ministers on the outcomes of the 20 March meeting of the Eurogroup. Ministers will discuss the current economic situation. The European Commission will present its review of national provisions adopted in compliance with the treaty on stability, co-ordination and governance in the economic and monetary union (the fiscal compact) conducted in accordance with Article 8 of the fiscal compact, followed by an exchange of views by Ministers.

Reduced VAT rate for electronically supplied publications (e-publications)

Ministers will discuss political issues in relation to the proposal for a Council directive regarding rates of value added tax applied to books, newspapers and periodicals. The proposal would give member states the ability to apply a reduced or zero VAT rate to e-publications and physical publications.

General reverse charge mechanism

Ministers will discuss the political issues in relation to the general reverse charge mechanism (GRCM). This is a proposal for an amendment to Council directive 2006/112/ on the common system of value added tax to allow the temporary application of a GRCM to supplies of goods and services above a certain threshold, with the aim of combating VAT fraud.

Current financial service legislative proposals

The Council presidency will provide an update on current legislative proposals in the field of financial services.

European Semester 2017:

a) 2017 country reports and in-depth reviews

b) Implementation of country-specific recommendations (CSRs)

Following a presentation by the Commission, Ministers will discuss the country reports published by the Commission on 22 February, including the assessment of CSR implementation and, where relevant, the framework of the macroeconomic imbalance procedure.

Follow-up to the G20 meeting of Finance Ministers and Central Bank governors on 17 to 18 March 2017 in Baden-Baden

The presidency and the Commission will inform Ministers on the outcomes of the G20 meeting.

Any other business

a) European defence fund

The Commission will inform Ministers about the Commission’s European defence action plan, focusing in particular on the launch of a European defence fund. This item was delayed from February ECOFIN.

b) Status of implementation of financial services legislation

The Commission will inform Ministers on the status of implementation of financial services legislation.

[HCWS546]

WALES

UK Regional Investment

The Secretary of State for Wales (Alun Cairns): In March 2016, the Government committed to begin discussions on a city deal for the Swansea Bay city region. I can today inform the House that the Government have reached agreement with the Welsh Government and the four local authorities on a heads of terms city deal for the Swansea Bay city region which will create in excess of 9,000 jobs and bring almost £1.3 billion of investment to the region.

The heads of terms agreement paves the way for major infrastructure investment in the region, which seeks to support and further build on the area’s strengths including health, energy and manufacturing. The deal will help boost economic growth in the region by attracting new investors, giving local business the support they need to grow and increasing the available skills base.

The deal will deliver almost £1.3 billion of investment to the region. Central to this is £115.6 million from the UK Government and £125.4 million from the Welsh Government. Alongside local public sector funding this is projected to attract £637 million from the private sector. This funding package will be provided over a 15 year period, subject to the submission of detailed business cases.

The UK Government’s contribution to the fund will support investment in digital infrastructure and next generation technology, allowing the area to compete with some of the world’s best cities. It will also support a partnership with Tata Steel to establish an innovation and knowledge centre for steel which will focus on zero carbon steel making and the future sustainability of the industry.

[HCWS545]

WORK AND PENSIONS

Pension Schemes Bill

The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): Today I will deposit in the House Libraries a memorandum on the application of Standing Order No.83L of the House of Commons Relating to Public Business to the Pension Schemes Bill, as amended. This memorandum sets out that there has been no material amendment at Commons Committee, i.e. the outcomes of the analysis remain precisely the same as on introduction.

[HCWS544]
The Secretary of State for Communities and Local Government (Sajid Javid): In February 2015, the Government appointed five commissioners to exercise all executive functions and some non-executive functions at Rotherham Metropolitan Borough Council. It followed critical reports by Baroness Alexis Jay and Dame Louise Casey, which found significant failings at the council contributing to child sexual exploitation in Rotherham.

On 9 February 2017, I announced my intention, after careful consideration of the recommendation of the commissioner team, to return six service areas to Rotherham Metropolitan Borough Council—adult social care and the council’s partnership with the NHS, external partnerships, economic growth, town centre, grounds maintenance and audit. On the same day, representations were invited from the authority regarding this intention. I have now considered the representations, including from the leader and the chief executive, and I am satisfied that the council is now able to exercise functions relating to these service areas in compliance with the best value duty, and that the people of Rotherham can have confidence that this will be the case.

The leader and the chief executive also made representations for the return of the power to appoint council representatives to external bodies. The return of this power was also recommended by the lead commissioner in his letter of 10 February. I am also satisfied that the council is able to exercise this function in accordance with the best value duty.

Therefore, today I am exercising my powers under section 15 of the Local Government Act 1999 to return seven functions to the council. The Education Secretary and I have issued further directions amending the directions issued on 13 December 2016 to do so. Handing back these powers increases democratic control and is a significant milestone for the council, which has demonstrated steady progress in its improvement journey.

With effect from 21 March, councillors will be responsible for decision making in these seven areas. The commissioners will continue to provide oversight on these areas as well as the set of functions returned last year and ensure that they are exercised in accordance with the statutory best value duty. Commissioners also continue to retain powers in additional service areas including children’s services (including all services relating to child sexual exploitation) as well as the appointment of statutory officers.

Sir Derek Myers, the lead commissioner, will also be stepping down at the end of this month having overseen the return of three quarters of services areas to the council over a two year period. I am grateful for the leadership he has shown in taking a failing authority in hand, and steering it through a rapid and wide-ranging improvement journey. As there is now a reduced role for commissioners, I will not be appointing any additional commissioners. Commissioner Ney will become Rotherham’s lead commissioner with effect from 1 April 2017. 

[HCWS548]
of primary, community and social care to provide personalised care for patients; rolling out new models of care across the population; and achieving early diagnosis, service and improved outcomes for cancer patients.

In the coming weeks, NHS England will set out its plan for delivering the five year forward view, which will summarise progress to date and set out a plan for future delivery, including the next stage of development for sustainability and transformation plan footprints and progress towards establishing accountable care organisations: 2017-18 should be the year in which we see concrete progress on these local sustainability and transformation plans, with NHS England supporting local leaders to drive improvement in outcomes. As part of this effort, the Government have already made £325 million of capital funding available for the best STPs over the next three years. In the autumn a further round of local proposals will be considered.

We are also laying before Parliament today a revised mandate for 2016-17 to take account of changes to NHS England’s budget, including for primary care transformation funding and the move to market rents by NHS Property Services.

Copies of the 2017-18 mandate and revised 2016-17 mandate can be viewed online as attachments at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-03-21/HCWS547/.

[HCWS547]

TRANSPORT

Additional Airline Security

The Secretary of State for Transport (Chris Grayling): Today the Government announced there will be changes to aviation security measures for selected inbound flights to the United Kingdom. The House will be aware that the United States Government made a similar announcement earlier today regarding flights to the United States and we have been in close contact with them to fully understand their position.

In conjunction with our international partners and the aviation industry, the UK Government keep aviation security under constant review. The UK has some of the most robust aviation security measures in the world, and at all times the safety and security of the public is our primary concern. We will not hesitate to put in place measures we believe are necessary, effective and proportionate.

Under the new arrangements, phones, laptops and tablets larger than length 16.0 cm, width 9.3 cm and depth 1.5 cm will not be allowed in the cabin on selected flights to the UK from the countries affected. Most smartphones fall within these limits and will continue to be allowed on board. However, devices larger than these dimensions may not be carried in the cabin. This is in addition to other existing security arrangements. This will apply to inbound flights to the UK from the following locations: Turkey, Lebanon, Egypt, Saudi Arabia, Jordan and Tunisia.

Passengers are therefore advised to check online with their airline for further details.

We understand the frustration that these measures may cause and we are working with the aviation industry to minimise any impact. Our top priority will always be to maintain the safety of British nationals. These new measures apply to flights into the UK and we are not currently advising against flying to and from those countries. Those with imminent travel plans should contact their airline for further information. More information can be found on the Department for Transport website and the travelling public should consult the Foreign and Commonwealth Office’s travel advice pages on gov.uk.

I know the House will recognise that we face a constantly evolving threat from terrorism and must respond accordingly to ensure the protection of the public against those who would do us harm. The update we are making to our security measures is an important part of that process.

We remain open for business. People should continue to fly and comply with security procedures.

[HCWS549]
Written Statements

Wednesday 22 March 2017

HOME DEPARTMENT

Vulnerable Persons Resettlement Schemes

The Secretary of State for the Home Department (Amber Rudd): Currently those arriving through the Syrian vulnerable persons resettlement scheme (VPRS) and the vulnerable children’s resettlement scheme (VCRS) are granted humanitarian protection and five years’ limited leave to remain. This entitles individuals to broadly the same benefits as British citizens. When the Syrian VPRS was launched in March 2014, it was decided that it was the most appropriate form of leave to grant for a number of reasons, including the processes in place at the time and the need to upscale quickly to respond to the urgent humanitarian situation.

At the beginning of the scheme, granting humanitarian protection allowed us to quickly assist and resettle the most vulnerable. As we have previously said, we have kept the policy under active review. We have listened to those who have raised concerns about the consequences, for those we resettle to the UK, of granting humanitarian protection rather than refugee leave. We have also taken the time to work through the policy and practical implementation issues in detail.

The decision to grant humanitarian protection was the right one at that time. However, while humanitarian protection recognises the need an individual has for international protection, it does not carry the same entitlements as refugee status, in particular, access to particular benefits, swifter access to student support for higher education and the same travel documents as those granted refugee status. Furthermore, we recognise that this policy is at odds with what happens to those Syrians who claim asylum in the UK and who are granted refugee status.

We think it is right to change the policy and now is the right time to make this change. Therefore, with effect from 1 July 2017, we will be granting those admitted under the VPRS and the VCRS refugee status and five years’ limited leave. Those who have been resettled under these programmes before this date will be given the opportunity to make a request to change their status from humanitarian protection to refugee status. We will publish more information on how individuals can do this in due course.

We can be proud of the contribution the UK is making to support refugees and we believe that this policy change better reflects the situation of those being resettled to the UK and the additional entitlements attached to refugee status will help these vulnerable people make the best start to their life in the UK. [HCWS551]

JUSTICE

Prison Update

The Lord Chancellor and Secretary of State for Justice (Elizabeth Truss): Social reform is at the heart of this Government’s programme. In November 2016 I set out plans for the most far-reaching reform of our prisons in a generation in my White Paper on Prison Safety and Reform. Last month I introduced the Prison and Courts Bill, which will transform the lives of offenders and put victims at the heart of the justice system, helping to create a safer and better society.

As well as putting in place robust measures to improve safety and performance, and a dedicated staff recruitment and development programme, I am investing £1.3 billion in a modern, fit-for-purpose prison estate.

Today I can confirm that I will launch planning applications for a further four potential sites for prisons to be built in England and Wales: one new site in Yorkshire adjacent to HMP Full Sutton, one at Port Talbot, South Wales, and two further sites involving redevelopment of the existing prisons at HMP & YOI Rochester, and HMP & YOI Hindley. Final decisions on the new prisons will be subject to planning approvals, as well as value for money and affordability.

In addition, I can inform the House that construction has now begun on a new houseblock at HMP Stocken.

Following the commitments I made in the White Paper, I can also confirm that outline planning applications have been made to redevelop the sites at the former HMP Wellingborough and HMP & YOI Glen Parva.

In creating a modern prison estate, old and inefficient prisons will be closed and replaced by the new accommodation. A programme of valuation work will now begin to help inform further decisions about the estate. Announcements on prison closures will be made later in the year.

This progress underlines the Government’s commitment to reform the prison estate. If planning permission for the new sites is granted, together these measures would create thousands of modern, fit for purpose prison places, enabling us to close many of the old and overcrowded places standing in the way of real reform. [HCWS550]
The Parliamentary Under-Secretary of State for Pensions (Richard Harrington): In order to keep the future state pension sustainable and fair for future generations, the Government introduced a regular and structured method for considering future changes in the state pension age as part of the Pension Act 2014, section 27.

In line with this method, in November 2016 the Government commissioned the Government Actuary to examine two scenarios for specified proportions (32.0% and 33.3%) that reflect the core principle announced in the autumn statement 2013 that people should spend “up to one third” of their adult life drawing a state pension.

The Government also commissioned an independent review of state pension age to look into wider appropriate factors around reviewing the state pension age, led by John Cridland CBE.

Today I will lay both these reports before Parliament, and would like to take this opportunity to record my thanks to the Government Actuary and John Cridland and their respective teams for their contributions.

The Government will now consider both of these reports very carefully and will present their first review of the state pension age to Parliament in May 2017. The review will be forward looking and will not recommend state pension age changes to be made before 2028. Any proposed changes would be brought for parliamentary consideration and would require primary legislation.
Petition

Tuesday 14 March 2017

OBSERVATIONS

WORK AND PENSIONS

Implementation of the 1995 and 2011 Pension Acts

The petition of residents of Newcastle Upon Tyne Central,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc.—[Presented by Chi Onwurah, Official Report, 7 March 2017; Vol. 622, c. 776.]

[PO02024]

Observations from the Secretary of State for Work and Pensions (Damian Green):

The pension system, along with the whole welfare system, needs to change to reflect the reality of today. In recent decades we are living longer, and we are able to work for longer as we become healthier.

The equalisation and acceleration of state pension age for both men and women was necessary to ensure the system’s sustainability in light of increasing life expectancy and increasing pressure on public resources, and the package now in place is balanced and affordable.

The changes to the state pension age began with the gradual equalisation of state pension age at 65 for both men and women, which was first set out in the Pensions Act 1995. This was necessary to meet the UK’s obligations under EU law to eliminate gender inequalities in social security provision.

The increase of the state pension age to 66 was set out in the Pensions Act 2007 and due to increasing life expectancy the Pensions Act 2011 accelerated this process to allow for a rise to 66 by 2020 for both genders and provided for the equalisation of the state pension age to 65 by November 2018.

During the 2011 Pensions Act the Government made a concession which slowed down the increase of the state pension age for women so no one would face an increase of more than 18 months compared to the increase as part of the Pensions Act 1995. Transitional arrangements at a cost of £1.1 billion were made in order to lessen the impact of these changes for those worst affected, and for 81% of these women the increase will be no more than 12 months. This concession benefited almost a quarter of a million women who would otherwise have experienced delays of up to two years.

Reversing the 1995 Act would be unaffordable—costing a minimum estimate of £77 billion. Without equalisation, and in 2010, women would spend on average 41% of their lives in retirement with a state pension age of 60.

These changes were fully debated and voted on in 2011 when legislation was before Parliament, and all those affected by increases in state pension age by the 2011 Act were written to in the period between January 2012 and November 2013.

The Department for Work and Pensions provided a range of additional information in order for all individuals to find out their state pension age and the conditions of their benefits.

Since April 2000, the Department has provided more than 14 million personalised state pension estimates to people who requested them either online, via telephone or post, and encourages people to request these state pension estimates as part of ongoing communications.

In addition, employment maximises people’s opportunities to build up savings, helps to maintain social networks, and is beneficial to health provided the employment takes into account the person’s broader circumstances. For most people work is beneficial not only because it provides an income, but also because it gives individuals greater control over their own lives, and independent analysis by the Institute for Fiscal Studies has shown that the rise in women’s state pension age since 2010 has been accompanied by increases in employment rates for the women affected.

For those who struggle to find employment and where people need it, there is a safety net in place through the welfare system.

Supporting individuals aged 50 years and over to remain in the labour market and tackling the barriers to them doing so is a key priority for this Government. By the mid-2030s the number of individuals aged 50 and over will represent over half of the UK adult population and employers increasingly need to employ and retain the skills and experience of older workers. To support these individuals the default retirement age was abolished, so individuals can retire when it is right for them, and the right to request flexible working was extended.

This Government are deeply committed to ensuring that employers are aware of the wealth of skills and experience that older workers bring to the workplace, and on 4 October the Government announced the appointment of the Business in the Community Age at Work leadership team led by Andy Briggs, CEO of Aviva UK and Ireland Life, as business champion for older workers. Mr Briggs and this team of employers will spearhead the Government’s work to support employers to retain, retrain, and recruit older workers.

Jobcentre Plus work coaches have the flexibility to offer all claimants, including older people, a comprehensive menu of help which includes skills provision and job search support. Work coaches undertake extensive training before taking up the post, and build up a wide range of skills and in-depth labour market knowledge, and additional training modules are available for work coaches when they deal with older claimants to support them more effectively and in understanding the challenges older claimants face.
Older claimant champions were introduced, in April 2015, in the seven Jobcentre Plus regional groups to tackle the barriers faced by older claimants in getting back to work. Older claimant champions work with jobcentre work coaches—and other staff—to emphasise the importance of supporting older claimants, share best practice and challenge out of date perceptions to support this group of people.

Where there are health conditions or disabilities, the Department has published the Work, Health and Disability Green Paper which looks at ways of better joining up the health, welfare and employment systems to support those seeking work as well as those in work. A carers in employment pilot has been established across nine local authorities to explore how businesses can give employees with caring responsibilities more help, for example promoting flexible working patterns and setting up carers surgeries to help carers manage their caring responsibilities alongside their paid work.

In addition to increasing employment prospects for women above the age of 60, this Government have introduced the new state pension. The system in place for people who reached their state pension age before 6 April 2016 was extremely complex and the new state pension brings greater clarity by helping people to understand their state pension more easily. It is also much more generous for many women who have been historically worse off under the old system. On average, women reaching state pension age last year get a higher state pension over their lifetimes than women who reached state pension age at any point before them, even when the acceleration of state pension age is taken into account. And, by 2030, over 3 million women stand to gain an average of £550 extra per year as a result of these changes.

The new state pension works hand in hand with automatic enrolment, enabling many more people to save in a workplace pension. And, combined with reviews of the state pension age, these measures are designed to form the main elements of a sustainable basis of retirement income in the decades to come.

The Government have already made transitional arrangements for those most affected by changes to their state pension age and introducing further concessions cannot be justified given the imperative to focus public resources on helping those most in need.
Petition

Monday 20 March 2017

OBSERVATIONS

WORK AND PENSIONS

Implementation of the 1995 and 2011 Pension Acts

The petition of residents of Blaenau Gwent,
Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc.—[Presented by Mr Andrew Smith, Official Report, 15 March 2017; Vol. 623, c. 494.]

The petition of residents of Stone,
Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc.—[Presented by Sir William Cash, Official Report, 15 March 2017; Vol. 623, c. 495.]

Observations from the Secretary of State for Work and Pensions (Damian Green):

The pension system, along with the whole welfare system, needs to change to reflect the reality of today. In recent decades we have been living longer, and are able to work for longer as we become healthier.

The equalisation and acceleration of State Pension age for both men and women was necessary to ensure the system’s sustainability in light of increasing life expectancy and increasing pressure on public resources, and the package now in place is balanced and affordable.

The changes to the State Pension age began with the gradual equalisation of State Pension age at 65 for both men and women, which was first set out in the Pensions Act 1995. This was necessary to meet the UK’s obligations under EU law to eliminate gender inequalities in social security provision.

The increase of the State Pension age to 66 was set out in the Pensions Act 2007 and due to increasing life expectancy the Pensions Act 2011 accelerated this process to allow for a rise to 66 by 2020 for both genders and provided for the equalisation of the State Pension age to 65 by November 2018.

During the 2011 Pensions Act the Government made a concession which slowed down the increase of the state pension age for women so no one would face an increase of more than 18 months compared to the increase as part of the Pensions Act 1995. Transitional arrangements at a cost of £1.1 billion were made in order to lessen the impact of these changes for those worst affected, and for 81% of these women the increase will be no more than 12 months. This concession benefited almost a quarter of a million women who would otherwise have experienced delays of up to two years.

Reversing the 1995 Act would be unaffordable—costing a minimum estimate of £77 billion. Without equalisation, and in 2010, women would spend on average 41% of their lives in retirement with a State Pension age of 60.

These changes were fully debated and voted on in 2011 when legislation was before Parliament, and all those affected by increases in State Pension age by the 2011 Act were written to in the period between January 2012 and November 2013.

The Department for Work and Pensions provided a range of additional information in order for all individuals to find out their State Pension age and the conditions of their benefits.

Since April 2000, the Department has provided more than 14 million personalised State Pension estimates to people who requested them either online, via telephone or post, and encourages people to request these State Pension estimates as part of ongoing communications.

In addition, employment maximises people’s opportunities to build up savings, helps to maintain social networks, and is beneficial to health provided the employment takes into account the person’s broader circumstances. For most people work is beneficial not only because it provides an income, but also because it gives individuals greater control over their own lives. Independent analysis by the Institute for Fiscal Studies has shown that the rise in women’s State Pension age since 2010 has been accompanied by increases in employment rates for the women affected.

For those who struggle to find employment and where people need it, there is a safety net in place through the welfare system.

Supporting individuals aged 50 years and over to remain in the labour market and tackling the barriers to them doing so is a key priority for this Government. By the mid-2030s the number of individuals aged 50 and over will represent over half of the UK adult population and employers increasingly need to employ and retain the skills and experience of older workers. To support these individuals the Default Retirement Age was abolished, so individuals can retire when it is right for them, and the right to request flexible working was extended.
This Government are deeply committed to ensuring that employers are aware of the wealth of skills and experience that older workers bring to the workplace, and on 4 October the Government announced the appointment of the Business in the Community Age at Work leadership team led by Andy Briggs, CEO of Aviva UK and Ireland Life, as Business Champion for Older Workers. Mr Briggs and this team of employers will spearhead the Government’s work to support employers to retain, retrain, and recruit older workers.

Jobcentre Plus Work Coaches have the flexibility to offer all claimants, including older people, a comprehensive menu of help which includes skills provision and job search support. Work Coaches undertake extensive training before taking up the post, and build up a wide range of skills and in-depth labour market knowledge. Additional training modules are available for Work Coaches when they deal with older claimants to support them more effectively and in understanding the challenges older claimants face.

Older Claimant Champions were introduced, in April 2015, in the seven Jobcentre Plus Regional Groups to tackle the barriers faced by older claimants in getting back to work. Older Claimant Champions work with Jobcentre Work Coaches—and other staff—to emphasise the importance of supporting older claimants, share best practice and challenge out-of-date perceptions to support this group of people.

Where there are health conditions or disabilities, the Department has published the Work, Health and Disability Green Paper which looks at ways of better joining up the health, welfare and employment systems to support those seeking work as well as those in work. A Carers in Employment pilot has been established across nine Local Authorities to explore how businesses can give employees with caring responsibilities more help, for example promoting flexible working patterns and setting up carers surgeries to help carers manage their caring responsibilities alongside their paid work.

In addition to increasing employment prospects for women above the age of 60, this Government have introduced the New State Pension. The system in place for people who reached their State Pension age before 6 April 2016 was extremely complex and the new State Pension brings greater clarity by helping people to understand their State Pension more easily. It is also much more generous for many women who have been historically worse off under the old system. On average, women reaching State Pension age last year get a higher state pension over their lifetimes than women who reached State Pension age at any point before them, even when the acceleration of State Pension age is taken into account. And, by 2030, over 3 million women stand to gain an average of £550 extra per year as a result of these changes.

The New State Pension works hand in hand with Automatic Enrolment, enabling many more people to save in a workplace pension. And, combined with reviews of the State Pension age, these measures are designed to form the main elements of a sustainable basis of retirement income in the decades to come.

The Government have already made transitional arrangements for those most affected by changes to their State Pension age and introducing further concessions cannot be justified given the imperative to focus public resources on helping those most in need.
Changes to funding for 3 and 4 year olds

The petition of residents of the UK,

Declares that the Government’s consultation paper (Early Years Funding: changes to funding for 3 and 4 year olds 11 August 2016) outlined proposals that will leave nursery schools financially nonviable, forcing them to close; notes that this funding will not cover basic costs, let alone staffing with qualified teachers; and further notes that state nursery schools have very good outcomes with regard to closing the achievement gap and supporting children with special needs, and that state nursery schools are legally required to employ highly-qualified teaching staff, who are proven to give young children the best opportunities for academic achievement and enabling social mobility.

The petitioners therefore request the House of Commons to urge the Government to recognise the school status of state nursery schools and fund them accordingly.

And the petitioners remain, etc.—[Official Report, 2 March 2017; Vol. 622, c. 536.]

Observations from the Parliamentary Under-Secretary of State for Education (Caroline Dinenage):

Maintained nursery schools make an important contribution to social mobility, particularly in disadvantaged areas. They are also high quality providers, and are more likely to care for children with special educational needs than other types of early years and childcare provider.

We want maintained nursery schools to be sustainable for the long-term, not only to ensure that the quality support they give to disadvantaged areas continues, but also to make the most of the pedagogical expertise and experience that they have for the benefit of the early years system as a whole.

As a result of being constituted as schools, they experience costs that other providers do not. That is why we will provide £55 million a year to local authorities, at least until the end of this Parliament, to enable them to maintain current levels of funding for nursery schools. This will give them stability during wider changes to funding.

Illustrative allocations of this supplementary funding were published in December 2016 alongside the Government’s response to the consultation on an Early Years National Funding Formula. To ensure that local authorities receive the correct amount of supplementary funding to enable them to maintain current levels of funding for nursery schools, in March we will carry out a data assurance exercise with local authorities to ensure that they receive the correct funding. The Government have also written to local authorities to advise them that they should not make decisions about their nursery schools until they have their final supplementary funding allocations.

The provision of this supplementary funding will give the Government time to consult on the future of maintained nursery schools. We are developing this consultation informed by conversations with maintained nursery schools themselves and others with an interest in their role and future. We will publish the consultation in due course.

Changes to funding for 3 and 4 year olds in Walsall South

The petition of residents of the UK,

Declares that the Government’s consultation paper (Early Years Funding: changes to funding for 3 and 4 year olds 11/08/16) outlined proposals that will leave nursery schools financially nonviable, forcing them to close; notes that this funding will not cover basic costs, let alone staffing with qualified teachers; and further notes that state nursery schools have very good outcomes with regard to closing the achievement gap and supporting children with special needs, and that state nursery schools are legally required to employ highly-qualified staff, who are proven to give young children the best opportunities for academic achievement and enabling social mobility.

The petitioners therefore request the House of Commons to urge the Government to recognise the school status of State nursery schools and fund them accordingly.

And the petitioners remain, etc.—[Presented by Valerie Vaz, Official Report, 9 February 2017; Vol. 621, c. 748.]

Observations from the Parliamentary Under-Secretary of State for Education (Caroline Dinenage):

Maintained nursery schools make an important contribution to social mobility, particularly in disadvantaged areas. They are also high quality providers, and are more likely to care for children with special educational needs than other types of early years and childcare provider.

We want maintained nursery schools to be sustainable for the long-term, not only to ensure that the quality support they give to disadvantaged areas continues, but also to make the most of the pedagogical expertise and experience that they have for the benefit of the early years system as a whole.

As a result of being constituted as schools, they experience costs that other providers do not. That is why we will provide £55 million a year to local authorities, at least until the end of this Parliament, to enable them to maintain current levels of funding for nursery schools. This will give them stability during wider changes to funding.

Illustrative allocations of this supplementary funding were published in December 2016 alongside the Government’s response to the consultation on an Early Years National Funding Formula. To ensure that local authorities receive the correct amount of supplementary funding to enable them to maintain current levels of funding for nursery schools, in March we will carry out a data assurance exercise with local authorities to ensure that they receive the correct funding. The Government have also written to local authorities to advise them that
they should not make decisions about their nursery schools until they have their final supplementary funding allocations.

The provision of this supplementary funding will give the Government time to consult on the future of maintained nursery schools. We are developing this consultation informed by conversations with maintained nursery schools themselves and others with an interest in their role and future. We will publish the consultation in due course.

**The future of nursery schools**

*The petition of residents of Cambridge.*

Declares that nursery schools have very good outcomes with regard to closing the achievement gap as well as supporting children with complex educational or medical needs; further that the petitioners are concerned by the Government’s proposals for early years funding that would mean that local authorities would pass on 95% of early years funding from central government directly to early year providers; further that should the proposals be accepted all nursery schools in Cambridgeshire will find themselves in dire financial difficulties; and further that the proposals would lead to a loss of early years provision as well as job losses for nursery staff.

The petitioners therefore request that the House of Commons urges the Government to drop their proposal that would require local authorities to pass on 95% of early years funding from central government directly to early year providers.

And the petitioners remain, etc.—[Presented by Daniel Zeichner, Official Report, 21 February 2017; Vol. 621, c. 991.]

**Observations from the Parliamentary Under-Secretary of State for Education (Caroline Dinenage):**

The 95% pass-through is good news for all providers including maintained nursery schools. It means that local authorities will have to pass on 95% of their early years funding to providers from central government directly to early year providers.

And the petitioners remain, etc.—[Presented by Anna Soubry, Official Report, 28 February 2017; Vol. 622, c. 268.]

**Traffic enforcement measures along the A52**

*The petition of residents of Broxtowe.*

Declares that as a result of the lack of traffic enforcement measures along the A52 road between the roundabouts known locally as Bardill’s Island, which crosses with the B6003, and Priory Island, which is at a junction with the A6464, there is excessive speeding and as such the road is unsafe.

The petitioners therefore request that the House of Commons urges the Government to install traffic enforcement measures along the A52 between the two roundabouts known locally as Bardill’s Island, which crosses with the B6003, and Priory Island, which is at a junction with the A6464.

And the petitioners remain, etc.—[Presented by Anna Soubry, Official Report, 28 February 2017; Vol. 622, c. 268.]

**TRANSPORT**

**Traffic enforcement measures along the A52**

*The petition of residents of Broxtowe.*

Declares that as a result of the lack of traffic enforcement measures along the A52 road between the roundabouts known locally as Bardill’s Island, which crosses with the B6003, and Priory Island, which is at a junction with the A6464, there is excessive speeding and as such the road is unsafe.

The petitioners therefore request that the House of Commons urges the Government to install traffic enforcement measures along the A52 between the two roundabouts known locally as Bardill’s Island, which crosses with the B6003, and Priory Island, which is at a junction with the A6464.

And the petitioners remain, etc.—[Presented by Anna Soubry, Official Report, 28 February 2017; Vol. 622, c. 268.]

**Observations from the Parliamentary Under-Secretary of State for Transport (Paul Maynard):**

The Department for Transport (DfT”) is responsible for setting legislation and for guidance to traffic authorities on how to provide various traffic management measures. Local authorities have a statutory responsibility to provide appropriate traffic management schemes for their roads (under section 122 of the Road Traffic Regulation Act 1984). They are free to make their own decisions about the streets under their care, provided they take account of the relevant legislation. They are also accountable to local people for their decisions and their performance.

Local highway authorities can introduce a number of measures such as lower speed limits, traffic calming measures or reconfiguring the road. The local police are responsible for day-to-day enforcement of speed limits.

The decisions on the type of measures that might be most suitable are matters for the local highway authority in consultation with local communities. The DfT provides guidance for local authorities in Speed Limit Circular 01/2013 ‘Setting Local Speed Limits’ which is at: www.gov.uk/government/publications/setting-local-speed-limits
With regard to traffic calming, this is also a matter for local authorities. The DfT have published guidance on the design of traffic calming measures in Local Transport Note (LTN) 1/07 ‘Traffic Calming’ which is available on the DfT website at: www.gov.uk/government/publications/local-transport-notes

Ministers and officials have no remit to intervene in the day-to-day affairs of local authorities except where specific provision has been made in legislation. Any concerns should therefore be raised with the appropriate local authority.

However, the Department for Transport (DfT) would like to thank the petitioners for taking this positive action to bring this matter to its attention and the Minister will write to Nottinghamshire County Council to make them aware of the concerns of Parliament.
Ministerial Correction

Monday 13 March 2017

TREASURY
Budget Resolutions

The following is an extract from the winding-up speech on the second day of the Budget Resolutions debate—Thursday 9 March 2017—made by the Financial Secretary to the Treasury.

Jane Ellison: As well as offering some kind words about me relating to my previous role, the right hon. Member for Leicester East rightly drew our attention to the Government’s work on prevention. I shall not be drawn into talking about that too much—as a former public health Minister, I could talk on that for some time—but I remind him of the national diabetes prevention fund and the related work, and the £16 billion a year from the public health budget that we give to local government.


Letter of correction from Jane Ellison:

An error has been identified in my closing speech during the Budget Resolutions debate on 9 March 2017. The correct response should have been:

Jane Ellison: As well as offering some kind words about me relating to my previous role, the right hon. Member for Leicester East rightly drew our attention to the Government’s work on prevention. I shall not be drawn into talking about that too much—as a former public health Minister, I could talk on that for some time—but I remind him of the national diabetes prevention fund and the related work, and the £16 billion over the settlement period from the public health budget that we give to local government.
Ministerial Correction

Tuesday 14 March 2017

DEFENCE
Topical Questions

The following is an extract from an answer given by the Minister of State for the Armed Forces to the hon. Member for Cannock Chase (Amanda Milling) during Topical Questions to Defence Ministers on 13 March 2017:

T8. [909219] Amanda Milling (Cannock Chase) (Con): Thirty-five years on, our armed forces still play a vital role in safeguarding the security of the Falkland Islands and other British overseas territories in the south Atlantic. Can my right hon. Friend confirm that this Government are committed to maintaining a strong armed forces presence in the Falklands?

Mike Penning: Thirty-five years on, we not only continue but will enhance the protection of the Falkland Islands. I know that many colleagues from the House have visited the Falklands recently and seen the excellent work that our armed forces do far away from home. We will continue to support that with the Typhoons, the Rapier, and the other battalions that are there now. [Official Report, 13 March 2017, Vol. 623, c. 19.]

Letter of correction from Mike Penning:

An error has been identified in the answer given to the hon. Member for Cannock Chase (Amanda Milling) on 13 March 2017.

The correct response should have been:

Mike Penning: Thirty-five years on, we not only continue but will enhance the protection of the Falkland Islands. I know that many colleagues from the House have visited the Falklands recently and seen the excellent work that our armed forces do far away from home. We will continue to support that with the Typhoons, the Rapier, and the company that is there now.
Ministerial Correction

Wednesday 15 March 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Smart Meters

The following is the response by the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Hereford and South Herefordshire (Jesse Norman), to a topical question asked by the hon. Member for Birmingham, Selly Oak (Steve McCabe) on 14 March 2017.

Steve McCabe (Birmingham, Selly Oak) (Lab): I thought the Minister was a touch complacent in his earlier answer on smart meters given that this will cost the taxpayer £11 billion by the end of the Parliament. What is he going to do about the fact that they do not work when a customer switches supplier?

Jesse Norman: The smart meter programme should be judged on its long-term effect. It will save £47 billion by the end of that decade.


Letter of correction from Jesse Norman:

An error has been identified in a response I gave to the hon. Member for Birmingham, Selly Oak (Steve McCabe) during topical questions.

The correct answer should have been:

Jesse Norman: The smart meter programme should be judged on its long-term effect. It will save £47 per year on a household’s energy bill by 2030.”
Ministerial Correction

Thursday 16 March 2017

DEFENCE

Topical Questions

The following is an extract from topical questions to the Secretary of State for Defence on Monday 13 March 2017.

Steven Paterson (Stirling) (SNP): According to the National Audit Office, even if the defence estate strategy was implemented in full, we would still have an £8.5 billion budget shortfall caused by the deterioration of the estate. Is the strategy fit for purpose?

Mark Lancaster:

The strategy is absolutely fit for purpose, and it is based on delivering military capability. Reducing the estate by some 30% means that we have less estate to look after, and that we can reinvest some £4 billion over the next 10 years.


Letter of correction from Mark Lancaster

An error has been identified in my response to the hon. Member for Stirling (Steven Paterson).

The correct response should have been:

Mark Lancaster: The strategy is absolutely fit for purpose, and it is based on delivering military capability. Reducing the estate by some 30% means that we have less estate to look after, and that we can reinvest some £4 billion over the next 10 years.
Ministerial Correction

Monday 20 March 2017

EDUCATION

Apprentices: Financial Support

The following is an extract from the response to the hon. Member for Luton North (Kelvin Hopkins) during the Westminster Hall debate on financial support for apprenticeships by the Minister for Apprenticeships and Skills on 8 March 2017.

Robert Halfon: The hon. Member for Luton North said we were not resourcing apprenticeships, but I take issue with him on that. By 2020 apprenticeship spending will have increased to £2.5 billion, almost double what it was in 2015.

Letter of correction from Robert Halfon:

An error has been identified in the response I gave to the hon. Member for Luton North (Kelvin Hopkins) during the debate.

The correct response should have been:

Robert Halfon: The hon. Member for Luton North said we were not resourcing apprenticeships, but I take issue with him on that. By 2020 apprenticeship spending will have increased to £2.5 billion, almost double what it was in 2010.
Ministerial Corrections

Thursday 23 March 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Maternity Discrimination

The following is an extract from the reply by the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stourbridge (Margot James) to the Westminster Hall debate on Maternity Discrimination on 15 March 2017.

Margot James: However, more than 100 employers, representing 1.2 million employees across the UK, have signed up to the initiative, which is an important milestone. Many of the employers pledging action such as Barclays, Nationwide, Royal Mail and Ford are putting in place returners programmes and means of staying in touch with pregnant women and new mothers on maternity leave, which is another point that was made.


Letter of correction from Margot James:

An error has been identified in the response I gave to the Westminster Hall debate on Maternity Discrimination on 15 March 2017.

The correct response should have been:

Margot James: However, more than 100 employers, representing 1.2 million employees across the UK, have signed up to the initiative, which is an important milestone. Many of the employers pledging action such as Barclays, Nationwide and Ford are putting in place returners programmes and means of staying in touch with pregnant women and new mothers on maternity leave, which is another point that was made.

Nuclear Decommissioning Industry: Pensions

The following is an extract from the reply by the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stourbridge (Margot James), to the Westminster Hall debate Nuclear Decommissioning Industry: Pensions on 21 March 2017.

Margot James: As a first step, the NDA held discussions with the trade unions about the potential for non-legislative options as an alternative to CARE to realise the required savings. As a result of those discussions, the NDA launched a consultation document on 9 February setting out details of two options—the CARE option and a non-legislative pensionable pay cap option. The consultation was due to end on 10 March.


Letter of correction from Margot James:

An error has been identified in the response I gave to the Westminster Hall debate on Nuclear Decommissioning Industry: Pensions on 21 March 2017.

The correct response should have been:

Margot James: As a first step, the NDA held discussions with the trade unions about the potential for non-legislative options as an alternative to CARE to realise the required savings. As a result of those discussions, the NDA launched a consultation document on 9 January setting out details of two options—the CARE option and a non-legislative pensionable pay cap option. The consultation was due to end on 10 March.
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