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(HANSARD)

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Tuesday 3 May 2011 (continued)

Clause 4

MAIN RATE FOR FINANCIAL YEAR 2011

Question proposed, That the clause stand part of the Bill.

Mr David Hanson (Delyn) (Lab): It is a great pleasure to be in the Chamber this evening, Mr Hoyle, for what I hope will be a fruitful discussion on clause 4, on corporation tax. As hon. Members will know, the clause reduces the rate of corporation tax with the aim of reducing it still further over the next few years. That has been done by Ministers because they recognise that there is a need for growth in the private sector, and that is an aim that we would support.

We need to consider growth in the private sector, which is a key issue that we must examine in some detail. If time permits, which I am sure it will, I intend to outline the case for discussing the issues related to the need for growth in the private sector. We must examine how we use corporation tax to deal with unemployment, which affects the regions quite considerably, and how we compensate with private sector jobs for the Government's massive cuts in public spending.

Let us look in some detail at the question of the economy and unemployment in general. There is real concern about the level of unemployment in the country at large. The economic indicators show that there are currently ranges of unemployment across the United Kingdom that cause concern in relation to unemployment levels generally. One reason why the corporation tax cut has been brought forward is that the Government recognise that they need to look closely at how they can generate private sector employment by ensuring that we expand the private sector as a whole.

If we look closely at the level of unemployment, we see great disparities across the country. In the north-east region—my hon. Friend the Member for Tynemouth (Mr Campbell), who is present, is a representative of that region—the unemployment rate is 10.2% and in the west midlands it is about 9.9%. Those high figures show that we need to develop the private sector. In London, the unemployment rate is currently about 9.4%. Looking around the Chamber, I see many hon. Members—

Stephen Phillips (Sleaford and North Hykeham) (Con): Not on the Labour Benches!

Mr Hanson: The hon. and learned Gentleman may say that, but this is an argument about corporation tax and if Members wish to participate in the debate I am very happy to stay here for as long as they wish to, because we can discuss this matter in some detail. It is very important that we discuss the circumstances in which we need to ensure that the growth in the private sector is undertaken by the Government—*[Interruption.]* I mean that the growth is encouraged. *[Interruption.]* Government Members know that there is a very important debate to be had about whether corporation tax plays a role in helping to grow the private sector. There is some synergy between what the Opposition and the Government

believe on this matter, but we need to explore this in detail and I intend to do that. Hon. Members who have supported me in Committees in the past know that I will happily discuss these matters in detail for some considerable time if required. We need to consider what the current situation is, what the levels of unemployment are, what the need for private sector growth is when we are faced with massive public spending cuts and how to deal with those issues.

If one looks in detail, as I intend to, at the statistics for jobseeker's allowance, one sees that they currently show that the unemployment count increased by 700 in March 2011 and now stands at 1.45 million people aged 18 or over. The unemployment rate for International Labour Organisation-based measures of unemployment was 2.48 million in the period from December to February 2011. We need to look at how corporation tax and the proposed cut in it will ensure that we can raise the level of employment in the regions that have been particularly hard hit.

As I have said, unemployment is 10.2% in the north-east, 9.9% in the west midlands and 9.4% in London. In the Yorkshire and Humber region—I can see Members from that region currently in the Chamber—the unemployment rate is around 9.3%, whereas in my region in Wales it is 8.7%. That rate is of considerable importance to my constituents and others across north-east Wales.

Mr Kevan Jones: My right hon. Friend mentions that the unemployment rate in the north-east is in excess of 10%, but does he recognise that that is before the impact of the budget cuts in local authorities and the cuts in public expenditure that have been announced? In a region such as the north-east, which is heavily reliant on the public sector, that 10.2% will rise greatly over the next few months.

Mr Hanson: I am grateful to my hon. Friend for raising that. One of the themes that I shall develop in our discussions today is the cut in the rate of corporation tax to stimulate private sector growth. That private sector growth is extremely important, particularly at a time when we face massive cuts in public spending across the board. There is a debate to be had, which I am happy to engage in, about why and how those public spending cuts are being made, but my hon. Friend the Member for North Durham (Mr Jones) will recognise that in the Budget proposals to date for the period to 2014-15 there are major areas of public spending cuts where the corporation tax cut proposal is being put in place to ensure that we generate private sector jobs to meet the loss of those public sector jobs across the board.

For example, as hon. Members know, we face a 27% reduction in local government spending between now and 2015. We face a 25% cut in Business, Innovation and Skills departmental expenditure between now and 2014-15.

Ian Mearns: The average cut in local authority grant in the 12 authorities in the north-east of England is 24%, whereas the average cut in local authority grant in the south-east of England comes to no more than 4%. Why is that?

Mr Hanson: There are a range of reasons for those proposals. As part of the Government's proposals to cut public spending across the board, there are major cuts which are unfairly hitting the north-east and other regions. I mention these issues because in the Minister's justification for the reduction in corporation tax in the Budget proposals, he said that the Government were doing that in order to raise the level of private sector investment to attract businesses to the United Kingdom and keep them here through the corporation tax regime. Clause 4 provides the framework for generating growth in the private sector at a time when we face the loss of a possible 500,000 jobs in the public sector and great pressure on private sector industry.

Mr Kevan Jones: One of the mistakes that the Government make is to think, "Public sector bad, private sector good." Is my right hon. Friend aware of a study undertaken by Durham university which suggests that as a direct result of the cuts in public expenditure in the north-east of England, there will be between 45,000 and 50,000 job losses, and 20,000 of those will be in the private sector?

Mr Hanson: I am acutely aware that in my constituency the public sector and the private sector remain intertwined. They are interdependent. The fact that we have public spending cuts does not mean that only jobs in the public sector work force will be lost. The cuts will also have a strong impact on the private sector as a whole, because contracts are won in housing, local government, transport and capital projects, all of which are put at risk by major cuts in public spending across the board. This is an important part of the debate, because in his arguments for the corporation tax cut, the Minister maintains that one of the ways in which we can regenerate the economy to compensate for those public sector cuts is by cutting corporation tax.

Mr Anderson: In the previous debate it was clear that the Government had embarked on a series of measures arising from arrogance and ignorance. When, for example, £80 million of Building Schools for the Future money is taken away from Gateshead council, that clearly has an impact not just on the public sector but on the private sector. That is the mistake that the Government make.

Mr Hanson: My hon. Friend's region, the north-east, faces the highest unemployment in the whole United Kingdom, as I have mentioned, at 10.2%—[*Interruption.*] The hon. Member for North East Hertfordshire (Oliver Heald) says that that is our fault, so I presume that he has missed the fact that there has been a world banking crisis and that unemployment has risen in countries across the board. There are no arguments.

3.30 am

As hon. Members on the Treasury Bench know, the Labour Government and my right hon. Friend the Member for Edinburgh South West (Mr Darling) had a plan to ensure that we reduced public spending to help tackle the deficit, but the current Government's cuts in public spending are going too far, too fast and too deep. Their only alternative is to grow the private sector, which is good and positive and we accept that it needs to be done. The corporation tax cut before the Committee is one of the tools for doing that, and clause 4 is key to that strategy. We need to explore in detail what income

will be forfeited as a result of the corporation tax cut, how it will attract businesses to the United Kingdom and encourage them to stay, and what the targets are for the creation of jobs on the basis of that cut for the future as a whole.

Ian Mearns: Government Members say that it is all our fault, but at the same time they say that we are all in this together. The fact that unemployment in the north-east went up by 11,000 at the same time as national unemployment went down by 17,000 seems to escape them. How does that illustrate the idea that we are all in this together?

Mr Hanson: Clearly we are not all in this together, because even now there are differences in the rate of unemployment across the board in the United Kingdom. As has just been said, in the north-east it is 10.2%. In the region that the Minister represents, and in the region represented in the Chamber today by Members from Cornwall and other parts of the south-east, such as the hon. Member for Truro and Falmouth (Sarah Newton), unemployment is 6%. There is a discrepancy between the unemployment rate in the north-east, which is 10.2%, and the unemployment rate in regions such as the south-east and the south-west, which is 6%. The question I want to put to the Minister, and the discussion we want to have around this, is about how the corporation tax cut proposed in the Bill is intended to bring jobs to my hon. Friends' region and other regions with lower levels of unemployment generally across the board. We need to look at the impact of the corporation tax cut generally across the board.

Mr Graham Stuart: He's said that five times.

Mr Hanson: If the hon. Gentleman looks at the Order Paper, he will see that the business may continue until any hour. I can make any argument I wish on these matters, in any order I wish, until such time as he wishes to pursue the matter further. If he wishes to intervene I will happily give way. If he does not, he can sit and heckle from a sedentary position.

Mr Stuart: I am happy to intervene on the right hon. Gentleman, who has repeated one phrase five times already in his ruthlessly repetitious speech. He rightly links the level of corporation tax to unemployment. Of course the previous Government, like every Labour Government, put unemployment up. Every time it is in power the Labour party leaves the working man on the dole, not in a job, and we are having to put it right. A little bit of recognition from him and the rest of his colleagues, even at this late hour, would be welcome.

Mr Hanson: If the hon. Gentleman reflects on the unemployment figures for May 2010 and May 2011 he will find that unemployment has risen in the past year. It has risen because of the policies of the current Conservative and Liberal Democrat coalition, which has ruthlessly cut public expenditure over the past year. The strategy on corporation tax before the Committee is one of a range of tools that we need to explore with reference to how the economy is to grow.

It is important that we use this Finance Bill debate to examine the question of growth in the economy. The issue before the Committee is simply a corporation tax cut, which in itself is worthy of discussion, but we need to raise and consider other matters, too.

Hugh Bayley: The hon. Member for Beverley and Holderness (Mr Stuart) is getting a little tired and tetchy—the hour is late—but one should avoid using crude headline statistics. As another Yorkshire MP, I can tell him that when Labour was in power, my city—the city of York—saw the number of people in employment go up from 40,000 to 57,000. One reason why we had that increase in growth was the reductions in business taxation, so this is an important measure and the Committee needs to treat it seriously, rather than just dismissing it with crude and misleading statistics.

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. May I suggest that we try to stick to the clause? On both sides, we do need to try to stick to the clause before us.

Mr Hanson: The clause is about a corporation tax cut, and my argument is that because of the Government's massive public spending cuts, which are designed to tackle the deficit and which we would indeed have made in part, the corporation tax cut is designed to help grow the private sector. We need to look at the impact of that particular cut.

Mr Graham Stuart: That's seven times!

Mr Hanson: Well, we need to look at the impact of that particular cut, and I will say it eight times for the hon. Gentleman: we need to look at the impact of that cut.

Let me, for example, look at the issue in relation to how the corporation tax cut will affect the private sector. *[Interruption.]*

Mr Stuart: Ten times!

Mr Hanson: The hon. Gentleman might like to take the issue more seriously than he is doing, because it is important. *[Interruption.]* My hon. Friends the Members for Gateshead (Ian Mearns), for North Durham and for Blaydon (Mr Anderson) represent constituencies with the highest unemployment in this country, at 10.2%, and they have a right to argue about how the corporation tax cut proposed in the Bill will impact on their constituencies in creating employment at a time of massive public spending cuts. We want to hear from the Minister in due course, when we have finished our arguments—because I am sure that my hon. Friends will contribute to the debate as well, about how the corporation tax cut will impact on job creation in those areas.

Mr Kevan Jones: I am sorry, but I will take no lectures from the Conservative party on unemployment, which at its lowest point during the Labour Government's term in office went down to 4% in the north-east. Until we had the crazy austerity Budget—the quick Budget—of this coalition Government, and because of the measures that the Labour Chancellor brought in, unemployment was going down in the north-east. It has gone up only since the ludicrous cuts that the present Government introduced in their emergency Budget, and if the incoming spending cuts then have an impact it will go higher than 10.2%. I know that the Conservative party does not care about the north-east of England, but I do.

Mr Hanson: My hon. Friend will be aware that in his constituency, as of this month, 2,443 people are unemployed. The question that we want to ask—I will say it again, for the benefit of the hon. Member for Beverley and Holderness (Mr Stuart)—is how does the corporation tax cut impact on that level of unemployment? That is the key issue that we need to explore in detail.

Rehman Chishti (Gillingham and Rainham) (Con): To clarify the point that Opposition Members have made about unemployment being higher in the north-east and north, in my constituency in the south-east unemployment among 18 to 24-year-olds in 2005, 2006 and 2007 was 30%, 30% and 30%. That was under a Labour Administration, but in the past year it has been reduced to 28%, so this Government's actions have led to a decrease in unemployment down in the south. Will the right hon. Gentleman now apologise to my constituents for increasing unemployment—

The Chairman: Order. We are not having a debate—

Mr Hanson *rose*—

The Chairman: Order. The debate is not about unemployment figures under this Government or the previous Government. Can we please try to stick to the clause now? It is very late and the debate is getting tetchy, but if we do stick to, speak to and address the clause, we will make much more progress.

Mr Hanson: I am grateful to the hon. Gentleman, who will remember that whatever the unemployment figures were in his constituency in 2005, he contested Horsham for Labour in that election and supported the manifesto of the Government of the time. He may have a little egg on his face at this point.

The key issue is the corporation tax cut. An article of 23 March from a national newspaper—it happens to be *The Guardian*, before hon. Members fall about with laughter—assessed how the corporation tax cut would help with maintaining employment in and attracting employment to the United Kingdom. It quoted several senior business people. Mr Roberto Troster, a financial consultant from Brazil, said that the biggest drawback with investment in Britain was not corporation tax but financial regulation and whether we were in or out of the euro. That view might not be shared across the Committee. The managing director of a regional trade body in the German state of Baden-Württemberg, whose capital is Stuttgart, one of the major employment sectors of the European Community, said:

“It remains to be seen how Germany will respond with a rate of 29.4%. The decision”

to cut corporation tax

“will please companies that already have a presence in the UK and will help those considering entering the UK market.”

However, his key point was that it remains to be seen whether it will lead to more firms setting up business in Britain. The head of German packaging company Optima, which is based in south-west Germany, has an office in the United Kingdom and is considering setting up a factory here, said:

“Taxes should never be the decisive factor when it comes to deciding where a business should be based.”

[Mr Hanson]

I simply put on the table the fact that we need to discuss what attracts business to come to the United Kingdom, to remain here, and to invest. The level of corporation tax undoubtedly plays a part in that, but we need to look at other factors, including major issues to do with skills development, public spending and employment opportunities.

Mr Kevan Jones: I am glad that my right hon. Friend has raised international comparisons of corporation tax. One of the countries that was lauded until the financial crash was Ireland, which prided itself on very low corporation tax in attracting inward investment. The voices on the Conservative Benches who were lauding Ireland five years ago are now very silent.

Mr Hanson: Exactly. One of the key issues that we need to consider is the relationship between the north of Ireland and the Republic of Ireland, because that involves important issues to do with the rate of corporation tax.

The hon. Member for South Thanet (Laura Sandys) is in the Chamber. I would welcome, as an example, a discussion about whether the 2,400 jobs lost at Pfizer in her constituency would have been retained by a lower level of corporation tax now and in future. I have great concern about the fact that those jobs have been lost, as the article in front of me dated 2 February indicates. I pay tribute to the hon. Lady for her decision in taking that issue to the heart of Government and to the Prime Minister. I pay tribute to the Prime Minister for arguing with the company about maintaining its presence in Kent. My key point is that the Government have proposed a lower corporation tax rate over the next four years, but Pfizer has still chosen to leave the United Kingdom.

Laura Sandys (South Thanet) (Con): I would like to make it clear that Pfizer has made the specific point to the Government, to me and to its employees that there was absolutely nothing that the British Government could have done, under the last Administration or this Administration, that would have had any impact on its closure decision. I would say, however, that this Government have moved into action extremely quickly to address the situation, to put the right measures in place so that we are, hopefully, at the forefront of achieving enterprise zone status, and to ensure that everybody in my constituency has the support that Government can deliver. The situation was nothing, but nothing to do with corporation tax.

Mr Hanson: I recognise what the hon. Lady says. My point is not related to that issue. My point is that the change in the corporation tax rate has not impacted on companies such as Pfizer that are investing in this country. I want to know from the Minister how we will replace those private sector jobs, and whether the corporation tax cut, which we support, will achieve those objectives.

Laura Sandys: We will achieve new jobs in the area by encouraging small businesses to set up, and they are highly sensitive to corporation tax. We can achieve that by ensuring that the private sector feels that Britain is open for business. There is a big challenge in my area and in many other parts of the country. We have to ensure that the corporation tax level is an incentive for new businesses that delivers new jobs in my constituency.

3.45 am

Mr Hanson: I would not disagree with that. In fact, we believe that the clause is very valuable. The simple point I am putting to the Committee is that when we have a trajectory for corporate tax cuts now and for each of the next three years, which will cost considerable lost income, I want to ensure that it is effective, and that it attracts new businesses to Kent and elsewhere. Importantly, whereas the unemployment rate in Kent is 6%, in the constituency of my hon. Friend the Member for Gateshead, it is more than 10%. I need to know how the Minister envisages that corporation tax cut being effective in ensuring that we increase employment in the private sector in the regions where it is needed.

Mr Graham Stuart: Will the right hon. Gentleman explain to the Committee what role he thinks corporation tax played in the deindustrialisation of this country, given that 1.5 million manufacturing jobs were lost under the Labour Government, whereas the previous Conservative Government added 400,000 in the last few years before they left office? Why is it that Labour destroyed so many jobs in manufacturing and stopped us from making things?

Mr Hanson: I pray in aid my constituency, which contains the firm Airbus, which makes world-class planes, employs 6,500 to 7,000 people, and has 50% of the world market. It was supported by investment from the Labour Government through research grants, loan aid and support to develop jobs. I will not take lessons from the hon. Gentleman about the active participation of Government in the private sector to create jobs.

Mr Kevan Jones: I sympathise with the constituency of the hon. Member for South Thanet (Laura Sandys). When such jobs are lost, it is important that Government, local government and others come together to rally behind jobs. In the north-east, there were numerous examples in the 1980s of the Tory Government doing nothing at all to replace jobs. In contrast, does my right hon. Friend agree that Nissan decided to produce the new Leaf generation of vehicles in the north-east at Sunderland not only because of its efficient and good work force, but because of the regional development agency, which the coalition has abolished.

Mr Hanson: Whatever mistakes the previous Labour Government sometimes made—every Government will make mistakes—they believed in partnership between the public and private sector to create employment. The point is that the extra cut announced in this year's Budget will cost the Treasury about £425 million in 2011-12 and nearly £1.1 billion by 2015-16. As I have said, we support that general approach to the corporation tax cut, but if we are forgoing income of about £1 billion by 2015-16 through lost corporation tax, we need assurances from the Minister that he believes there will be a trajectory of job creation. We need to know how many jobs will be created by the cut, where those jobs will be, which regions will benefit, how we will develop the public-private partnership through those jobs and how we will develop the private sector for the future.

The Minister has to tell the Committee exactly how the corporation tax cut will benefit the private sector through job creation. If it does not develop and benefit

the private sector through direct job creation, we will be giving businesses a tax cut for no subsequent increase in employment.

Mr Kevan Jones: We heard earlier that the cut would basically give banks a cash hand-out of nearly £100 million, but it will not help the small building companies that are already laying people off in my constituency because local government contracts are being lost and because of the housing market. Those businesses will not be there to benefit from any tax cuts that any Government bring in, because of the local spending cuts that have been made.

Mr Hanson: My hon. Friend makes the point strongly. The funding for regional development agencies and for training grounds, which are being lost, and the £1 billion of public expenditure lost to the Welsh Assembly Government, was money that filtered its way into the private sector. We are now faced with a discussion about the £1.1 billion cut in corporation tax revenues in 2015-16, which is lost income to the Treasury. Ministers say that that will generate private sector employment across the board, with jobs being created and extra investment being brought to the United Kingdom. We need to know from the Minister what the trajectory of that job creation will be, where and how he expects jobs to be created, what his assessment is of the number of new businesses in the regions and whether he expects the corporation tax cut to be crucial in maintaining businesses in the UK.

Phil Wilson (Sedgefield) (Lab): Does my right hon. Friend recognise that to pay for the corporation tax cut, the Government are having to slash investment allowances by £2.6 billion? That money is needed for the manufacturing industry to create the private sector jobs that this country so desperately needs.

Mr Hanson: When we originally wished to discuss these matters, we looked into that point, because the corporation tax cut is clearly linked to clause 10, which is about the proposed cuts to plant and machinery writing-down allowances. We will come on to that at a later stage, possibly this evening or possibly tomorrow—who knows? Those matters are inextricably linked.

We wish to explore the impact of the corporation tax cut because we want to hear clearly from the Minister how, where, in what sectors and when he expects it to have the impact that he wants. If we are forgoing a considerable amount of tax revenue, we are presumably doing so because we believe it will help to grow the private sector. I need to know from the Minister this evening, or whenever we hear from him, which sectors he believes are under threat; which ones he believes will particularly benefit from the corporation tax cut; which ones would have left the UK had the corporation tax cut not been introduced; which ones will be attracted to the UK because of the lower corporation tax; and how the change fits into the wider growth strategy of training, investment, university education, public sector investment, skill development, innovation and the development of products for us to manufacture and sell to the world at large.

Ian Mearns: The abolition of RDAs will be compensated by the reduction in corporation tax, but how will the Government calculate that? In my constituency of Gateshead, the economy is much diversified compared

with the 1980s—there are many fewer large engineering companies and many more technical engineering ones. However, there is no sign that this gift, in comparison with the RDA offer, will bring the regeneration that the area greatly needs.

Mr Hanson: RDAs are a very important factor in our discussion. The Minister indicated why the corporation tax cut should progress. Simply, he believes that the measure will help to compensate for the loss of public spending across the board. We need to look at that in great detail, and I want the Minister to respond on three particular issues. First, which businesses that would have left the UK will be maintained here by the corporation tax cut? If we forgo that £1.1 billion, which companies would leave if the cut is not undertaken? Secondly, which businesses and sectors can the Minister most attract to the UK from France, Germany and other places abroad because of the corporation tax cut? Thirdly, does he believe that some businesses will not grow in the UK if we do not make that cut?

Those are legitimate questions and legitimate points that we needed to make. The official Opposition support the principle behind clause 4 and we will not oppose it. The clause is the direction of travel that we need to take, but it is incumbent on the Minister to outline to us in clear and detailed terms how those objectives will be met. At a time of massive public spending cuts and growing unemployment in the country at large, and when 500,000 are being made unemployed, we need to know how this corporation tax cut fits into a wider growth strategy in the UK as a whole.

Mr Kevan Jones: Will my right hon. Friend give way?

Mr Hanson: I will give way to my hon. Friend, but I want to finish in a moment—[*Interruption.*]

Mr Kevan Jones: I am grateful to my right hon. Friend for giving way, but I am sure that I could speak for a lot longer if Government Members want me to.

Does my right hon. Friend agree that the Minister also needs to explain, on a regional basis, for example in the north-east, how this corporation tax cut will, in the next 12 months, grow the jobs that will be lost because of the effects of the public spending cuts that the Government have already announced?

Mr Hanson: That is the key issue. This is why the discussion has strayed into public spending. The Exchequer Secretary has said:

“I make four arguments for prioritising this move to reduce corporation tax. First, corporation tax rates are important in themselves in selling the UK. They are an advert for the economy and for the UK as a good place to do business. By reducing our rate we are sending the strongest possible message that Britain is open for business. Secondly, this cut is a necessary step to help to rebalance the economy”,

which was the very point made just now by my hon. Friend the Member for North Durham. The Exchequer Secretary added:

“As we take tough measures to scale back the public sector, we must provide the necessary boost to the private sector. Thirdly, the OECD’s estimates suggest that corporation tax is an inefficient and growth-damaging tax. Lower corporation tax rates encourage investment, which this country needs to support the recovery. Finally”—

[Mr Hanson]

in the Exchequer Secretary's own words—

“far from merely being a tax cut for profitable companies, they will provide the boost to investment that is vital for Britain”.—[*Official Report*, 12 July 2010; Vol. 513, c. 750.]

We support those four general points. We have no quibble with what the Minister said on those four points.

Mr Graham Stuart: You've taken a long time to say it.

Mr Hanson: Well, it is possible to speak until any hour and on any point, and we are trying to do that and explore these issues in detail.

The Minister has an opportunity to flesh out those points in order to give comfort to and reassure my hon. Friends from hard-hit regions that the benefit of the corporation tax cut will impact on their regions as well as those regions in the prosperous south. It is important that we get answers from him on those points. With those few comments, I ask him to respond in due course.

To report progress and ask leave to sit again.—(*Bill Wiggin.*)

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

PETITION NHS Reforms

4 am

Hugh Bayley (York Central) (Lab): This is the moment I have been waiting for. An unprecedented number of representations have been made to me by letter, telephone, email and at my surgery from constituents of mine deeply concerned about the Government's proposed NHS reforms. Those representations include a petition supported by almost 2,000 doctors, nurses, NHS patients and members of the public in my constituency, including Dr James Chan, one of the doctors at York district hospital.

The petition states:

The Petition of residents of York, and others,

Declares that the Petitioners believe that the Government's health reforms will break up NHS services and that these reforms will result in business motives cutting deeply into the fairness, quality and value of the service at the expense of patient care; that the Petitioners believe the reforms will lead to a postcode lottery, with patients' age, medical condition and home address affecting the quality of care they receive; that cuts to frontline jobs and services will lead to longer waiting times; that money will be wasted on the NHS market bureaucracy, draining it from patient care; and that there will be a big increase in private companies running the health service for profit.

The Petitioners therefore request that the House of Commons urges the Government to reconsider the reforms so that patients remain at the heart of the NHS.

And the Petitioners remain, etc.

[P000917]

Special Representative for International Trade and Investment

Motion made, and Question proposed, That this House do now adjourn.—(*Bill Wiggin.*)

4.4 am

Paul Flynn (Newport West) (Lab): I speak under negative privilege. Privilege is given to us as MPs to expand our opportunities to make comments and talk about personalities while enjoying protection from libel laws. The situation that I am speaking under is one that does not expand our opportunities, however, because on this subject I am denied the opportunity of saying what I am entirely free to say in broadcasts or on blogs outside this House. In this House my mouth is bandaged by archaic rules that deny me the chance to be critical of certain individuals. I can be sycophantically, emetically in praise of those individuals—that is not limited in any way—but I am not allowed to criticise them. I therefore make the point that I am speaking under constraints that I hope we will remove at a later date. This debate is, I believe, a step on the way towards tabling a motion that will liberate us as MPs to talk freely about subjects that are discussed throughout the country.

The role of the special trade representative has been a matter of great controversy, discussion and debate. It is a hot topic everywhere, in the newspapers, in the pubs and on blogs, but the only place that we cannot discuss it fully is in this House—the place where we should be allowed to do so, because we can do something to reform the role if necessary. The role is a very strange one. There is no wage paid, but it is claimed that our present trade envoy has cost the taxpayer about £4 million in the last 10 years, not including the costs to protection officers. What is the job? It is impossible to find a job description, but one might say that skills in diplomacy, expertise in trade and industry, and sensitivity about our ethical standing would be needed in such a job.

The present envoy was appointed to his role by Her Majesty the Queen after consultation with the Cabinet Office, UK Trade & Investment, and the Foreign and Commonwealth Office, and he was given the title of UK's special representative for international trade and investment. Is there a problem with the position at the moment? There certainly appears to be a problem with the lack of competition for the job. There is no open competition; there is no pre-appointment hearing or anything of that kind; and there seems to be only one qualification—namely, membership of a certain family, as the job was inherited from another member of that family.

Are there any matters that deserve our concern? Many groups have suggested that there are. A coalition of human rights groups is calling for a review into how the Government do business with non-democratic regimes around the world. Those groups say that the Government's stated position on human rights, corporate responsibility and the rule of law is at odds with their apparent position of trading with autocratic or corrupt politicians. Human Rights Watch, Index on Censorship, the Corner House, Global Witness and Campaign Against Arms Trade say that recent publicity has underlined fundamental failings in this country's supposedly ethical foreign policy.

Tom Porteous, the UK director of Human Rights Watch and a Foreign Office adviser, said that recent publicity was making the UK “look stupid”.

Those calls for action follow concern about delays in implementing the Bribery Act 2010—delays that have left the Government open to claims that they are not really committed to fighting corruption. Campaigners allege that they have yet to receive a response from the coalition’s international anti-corruption champion, the Justice Secretary, after requesting details of the Government’s strategy on tackling dishonest business practices.

Tom Porteous, a member of the Government’s advisory group, which was created by the Foreign Secretary, and someone whose job is to examine the ethical dimension of British foreign policy, said that Ministers needed to rethink their way of doing business. Nicholas Hildyard of the Corner House has said:

“There is an absolute necessity to have an ethical foreign policy with very strict screening into what goes where, proper screening of all government-supported exports in the context of human rights.”

Robert Palmer of Global Witness makes a similar point. Richard Alderman, the director of the Serious Fraud Office and a key figure in cracking down on business bribes to win contracts, told the Home Secretary of growing concerns over the delays in implementing the Bribery Act. He reported warning that the Organisation for Economic Co-operation and Development and the US Justice Department had been unhappy with the coalition’s decision to push back the legislation’s introduction.

Those are bodies of great seriousness, and they are expressing concern about the present situation. Rather more telling, however, is the evidence from Stephen Day, a former ambassador. He writes:

“The suggestion that an envoy is needed to ‘open doors’ is insulting to our ambassadors. Has that not been their primary job, as representatives of the Queen to foreign Heads of State? And are they not fully competent to support serious business proposals, as welcome to the host country as they will be to Britain? Trade promotion is a serious, long-term commitment, in which the embassy can give the best informed guidance and work effectively in partnership with the British enterprise and in step with Whitehall and other agencies to consolidate reputations and build long-term success. The message being spread around the world at the moment is that Britain is so desperate for business, and so incapable of competing openly, that it needs a back-door approach and is content to work closely with dodgy fixers and politicians—i.e. that British business is incapable of winning contracts through professional, legal means.”

Stephen Phillips (Sleaford and North Hykeham) (Con): I hear what the hon. Gentleman is saying about the message that is being given out at the moment, but he has given us no details of how it is being given out. In the absence of any evidence as to how it is being given out, I have to say that the House is very surprised not only at the message that he suggests is being given out but at the fact that it is being given out at all. Will he give us further details?

Paul Flynn: I am not in a position to give further details, because if I did so, I would transgress the rules of the House, as I did in a previous debate. That debate was interrupted. The Speaker would quite rightly abide by the rules of the House and tell me that I was not allowed to make any derogatory statements that might

affect the envoy, his personality or his name. It is an illustration of how demeaned we are as politicians and Members of Parliament that I am allowed to make any points about the damage that is done only in an oblique way, by discussing the effects of the holder of the office, his role and the comments that are being made.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I am not entirely clear, listening to the hon. Gentleman’s line of reasoning, whether he has called this debate obliquely to criticise Prince Andrew in his role as special envoy, or whether he has called it to query whether we need a special envoy at all. In my experience, having done the shadow trade job, Prince Andrew goes round the world, opens a lot of doors and does a lot of trade for the UK, and I would have thought that the hon. Gentleman’s constituency needed the jobs that are created by businesses that export round the world.

Paul Flynn: That is a wonderful example of how the hon. and learned Gentleman is free to praise the person involved, while I am denied the opportunity to attach any blame to him. It is entirely irrational and anti-intellectual, and contrary to the debating freedoms of this House that I am not allowed to answer his question or repeat the criticism that has appeared in almost all our national newspapers and media of the way in which that role is performed. I cannot do that, and that is the weakness that I wish to attack in this debate. I can, however, talk about the role and the opinion of certain serious people.

Stephen Phillips: May I suggest that the hon. Gentleman pushes the point? The Chair will no doubt rule on that. If he seeks to make the criticism that he suggests he is prevented from making and the Chair prevents him from making it, his point will be made good. If the Chair does not do so, his point will have been wholly undermined.

Paul Flynn: I am making the points as far as I can within the limits imposed on us in this Chamber. I first debated this subject on 17 March and hope to contribute to a debate tonight that will be within the rules of the House and will lead to a notice of a motion, which I hope I can get carried.

Stephen Phillips: For the final time, the hon. Gentleman has an opportunity either to press his points and make the criticism he seeks to make or to evade that criticism by not making the point at all. He has that opportunity and if he steps beyond the bounds of what is permitted and what is in order in this Chamber, the Chair will rule on it. As yet, he has not sought to make that criticism. As and when he does so, the Chair will make a ruling. Is he prepared to stand by the mettle of the argument he is making or—

Mr Speaker: Order. The hon. Gentleman will resume his seat. Interventions are getting longer; they need to get shorter.

Paul Flynn: This is the second part of the debate; the first part on 17 March was interrupted when I could not take the line that the hon. Gentleman urges me to take without transgressing the rules of the House. Those rules need to be changed.

[Paul Flynn]

Stephen Day, a former ambassador, talked about the ambassador in Doha as an example. His letter said:

“We have an excellent ambassador in Doha and Sheik Hamad is the most accessible of rulers, in person and on the telephone. To use such an intermediary strikes me as crassly inappropriate... Of course the Amirs and Sheikhs engage with trade and finance, but this is generally done privately through agents and associates, not by principals directly. To use”

an envoy

“for such a purpose is seen by Arabs as crude and unworthy of our historic connections. It is quite the wrong way to promote our interests in this important region of the world and the sooner we are seen to have re-learned how to engage with Arabs the better.”

That is what a greatly experienced ambassador says.

There is an argument for saying that the role is of great importance and has great potential to promote our industries and that many thousands of jobs depend on the relationships we have with other countries. Are we doing this the right way? There is powerful evidence from human rights organisations and from the former ambassador that we are not and that we are losing ground because of it.

Natasha Schmidt, assistant editor of the Index on Censorship, said people were angered by links between our trade envoy and President Aliyev of Azerbaijan, whose country is one of the most corrupt in the world. It routinely oppresses its own people and there are allegations involving torture of political opponents and rigged elections by Aliyev's regime. There are also allegations by some of the employees of the agency of a close relationship with President Aliyev. Natascha Schmidt said:

“It is absolutely appalling that the envoy would have such close links with Aliyev, an authoritarian ruler who has shown himself to be completely intolerant to criticism and is an enemy of free speech”.

We live in an era of openness, transparency and scrutiny of appointments. A major advance are the pre-appointment hearings in the House, when someone going for a major job appears before a Select Committee to justify the appointment. That is wholly healthy and beneficial.

Geoffrey Clifton-Brown: I am listening carefully to what the hon. Gentleman has to say, but I must say that I am not entirely clear—perhaps he will enlighten the House—whether the purpose is to debate the role of our individual special envoy, to raise the question of whether we need a special envoy or to debate British trade policy and which countries we should or should not trade with. Will the hon. Gentleman enlighten us?

Paul Flynn: It is all those things: the question of whether we need a special envoy and whether it is beneficial or not. Within the limits I have set out, I am able only to point obliquely to my view that it is perhaps not always beneficial to have one. If we have one, that person should not be chosen merely on the basis of what advantages he or she has inherited, and the choice should not be limited to a single family. There should be open competition, so that we can acquire someone who can do the job in the manner that is required. It should not involve work that can be done far more effectively by ambassadors who know their countries and know what the opportunities are.

The need for this position, and the manner in which it serves or does not serve the country, should be examined by the House of Commons fully and fairly, and not under the restrictions by which I am governed tonight. The antique rules of the House frustrated my earlier attempts to debate this issue in a meaningful way. In a grown-up, modern Parliament, no issue should be beyond our surveillance and, if necessary, our criticism. It is our duty to remove this gag, and to speak freely as citizens rather than being silenced as subjects.

4.21 am

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): The hon. Member for Newport West (Paul Flynn) has made a number of points that I do not think I can answer tonight, because they are not the responsibility of my Department. I consider that the question of whether he is gagged by the orders of the House is a matter for other House authorities, and I am sure that it will be dealt with in the usual way. I assume that he does not expect me to deal with those points. However, he managed to raise other important issues about the role of the special representative for international trade and investment, although I should say at the outset that I could not disagree more with his conclusions about that job.

The hon. Gentleman talked a great deal about what he considered to be the problem of a lack of competition in the job, as if membership of the Royal Family were open to competition. I think most people will find that a rather odd position for him to take. However, I am pleased to note that he is now in favour of competition, as he does not often take that line.

I, for one, believe that the Duke of York does an excellent job as the UK's special representative for international trade and investment. He promotes UK business interests around the world, and helps to attract inward investment. He has been the UK's special representative since 1 October 2001, and it is interesting that there has been no debate of this kind during the period of nearly 10 years since his appointment. During that time he has had a long-standing success in the role, representing a continued interest on the part of the Royal Family in supporting British business and international trade and investment.

Since taking on his role, the Duke of York has built a substantial network of contacts at high level in both Government and business overseas. Those links help the duke to make a major impact in a range of markets around the world. He has made a valuable contribution in developing significant opportunities for British business through the role, and continues to do so.

The hon. Gentleman could have talked about how he would assess that, and what evidence we could provide. Of course, it is often difficult to prove that a particular intervention by a particular person at a particular time results in a particular success. However, if we listen to the voice of British business, it is absolutely clear that it endorses the role of the Duke of York. Many who have worked with the duke have found that he is a real asset for our country in supporting UK business. A letter from a group of prominent business people published recently by *The Sunday Times* underlines the duke's commitment to helping the country to respond to the current very difficult period for our economy through the work that he does in support of a trade-led recovery.

Paul Flynn: Does the Minister realise that that list, which was published a very short time ago, was four years old, and that many firms on it declined to refresh their support for the expression of sentiments of support for the envoy?

Mr Davey: I am surprised that the hon. Gentleman makes that point because, as I shall go on to set out, a lot of people have contemporaneously spoken out in favour of the Duke of York's work. That letter did say that

"the efforts made by him need to be encouraged—for he does it well."

I am surprised that the hon. Gentleman did not mention that, and I am sure that the vast majority of those who have seen the duke's work at first hand would echo that sentiment.

Dr Julian Lewis (New Forest East) (Con): Does the Minister agree that one reason why the Duke of York has considerable credibility is his distinguished record as a former member of the Fleet Air Arm who gave valuable service in the Falklands war? That shows a degree of commitment over and above any inherited responsibilities that he might be considered to have.

Mr Speaker: Order. We must take great care, and care has not been taken sufficiently on this front, to avoid straying into matters of conduct that render someone suitable or not suitable for a particular role. I believe I am right in saying that "Erskine May" is clear that matters may be raised only on a substantive motion and such matters include the conduct of the sovereign, which we shall therefore strive to avoid discussing.

Mr Davey: The duke is not paid for the work that he does in this role. UK Trade & Investment pays for the costs of UK-based and overseas visits undertaken by the duke and his supporting staff, and these visits are undertaken in agreement with UKTI and are in support of UKTI objectives. Let me give an indication of the cost of these visits. In 2008-09, the costs amounted to just over £149,000 and just over £154,000 in 2009-10, and the flights are paid for by the royal travel budget. I believe that these activities represent excellent value for money.

Paul Flynn: Does the Minister, a fair-minded person, recognise that what he is saying illustrates how out of balance our debating system is? He is free to praise the envoy, but I am not free to say anything derogatory about the envoy and so our debate is completely out of balance. Is the Minister not illustrating the need for our Standing Orders to be changed?

Mr Davey: As I recall it, the hon. Gentleman said that he was objecting to the cost of this post, so I am rebutting his argument, which he was free to make within our Standing Orders, by arguing that the duke's work provides value for money. I am rebutting that point of substance.

Let me now deal with the duke's appointment to this position. We are sometimes asked: what are the terms of the duke's employment as special representative for international trade and investment? Does he have a contract? The hon. Gentleman wanted to have a job

description and competition for the role. We are also asked who invited the duke to take on this job. In response, I wish to make a number of key points. First, the role is not an appointment within the remit of the civil service commissioners or the Commissioner for Public Appointments. It is a special role and it represents a continued interest by the royal family in supporting British business and international trade. Prior to the Duke of York's appointment, the Duke of Kent was vice-chair of the British Overseas Trade Board from 1976 and latterly vice-chair of British Trade International until April 2001—the Duke of York was appointed in October 2001. So the royal family, in different roles and in different personages, have been fulfilling this type of role for many years. This is not a new thing and successive Governments of different persuasions have found this work to be valuable. Diplomats and business people in our country have valued the contribution made by the royal family in this regard.

Stephen Phillips: My hon. Friend makes the legitimate point that many organisations and British business have found this role to be valuable for how they conduct business overseas. This year, many British businesses have recorded in the printed media that they have found in the recent past that the role of the Duke of York—they made no reference to his specific conduct—to be useful to the way in which they have conducted their business and their exports overseas. I am sure that the Minister would agree with that.

Mr Davey: My hon. and learned Friend is absolutely right and I can certainly agree with that. It is also worth pointing out that the Duke of York not only helps UKTI and with related activities but assists in the objectives of other Departments, such as the Foreign and Commonwealth Office and the Department of Energy and Climate Change, when he is asked to do so.

The duke's programme of visits is agreed by the Royal Visits Committee. A great deal of discussion and planning goes into deciding where His Royal Highness should visit and UKTI works with the duke's private office to develop a programme of visits that complement the work and support the objectives of UKTI and make best use of the duke's time to support the strategic aims and goals of Her Majesty's Government. It is not a question of the special representative freelancing: he plans his programmes to operate within a strict framework. The programme is reviewed regularly and is confirmed alongside other overseas visits undertaken by other members of the royal family and by senior politicians such as the Prime Minister, Foreign Secretary and Business Secretary.

The duke's visits focus primarily on those priority markets for the UK where the duke is well placed to make a positive impact. His visit programmes generally include visits to priority markets in the middle east, south-east Asia, China, India, Russia, central Asia and South America, as well as to the US and other developed markets. The visits relate to sectors that are or will be key to the UK's future export growth. They include financial services, energy, advanced engineering, information and communication technology, life sciences and creative industries.

The duke has been visiting many of those priority global markets since 2001 and has developed strong relationships with key opinion formers and decision

[Mr Davey]

makers. For example, in 2008-09, His Royal Highness undertook nine overseas visits, visiting 16 countries. These involved 117 business engagements and openings, 27 political engagements and 28 with Heads of State. In 2009-10, His Royal Highness undertook 12 overseas visits, visiting 18 countries. This involved 163 business engagements and openings, 39 of which were political and 18 with Heads of State. This is a record of engagement that this House should recognise.

Paul Flynn: I hesitate to interrupt the Minister reading from the websites of the person and the Department involved, but he has made no attempt to answer my questions or to respond either to the serious criticism by the human rights organisations I cited or to what the former ambassador said about there being a far better way of doing the job, which is to allow ambassadors to do the job for which they are paid and skilled. Is that not a fair criticism?

Mr Davey: I disagree. I have provided evidence rather than innuendo to show that the Duke of York is undertaking a very valuable role. Let us remember why

the Duke of York does this role: because it is in Britain's interests. It is in the interests of firms, their employees and our economy. The previous Government recognised that and so do we. We have inherited a sick economy where the prospects of growth funded by the public sector or by consumers are very limited, to say the least, after the poor management of the economy by Labour over 13 years. If we are to grow, there are only two sources of growth: trade and investment. Having someone with experience and clout as the UK's special representative for international trade and investment is something that we throw away at our peril.

I do not know what has motivated the hon. Gentleman. His timing is particularly inappropriate coming as it does four days after the royal wedding, when I believe the whole country showed the support that they give to the royal family and all its members. I am proud to be here to support the role of His Royal Highness.

Question put and agreed to.

4.34 am

House adjourned.

House of Commons

Wednesday 4 May 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Work Programme

1. **John Robertson** (Glasgow North West) (Lab): What discussions he has had with the Secretary of State for Work and Pensions on the awarding of contracts for the Work programme in Scotland; and if he will make a statement. [53554]

9. **Dr Eilidh Whiteford** (Banff and Buchan) (SNP): What weighting was given to the involvement of voluntary sector organisations in the assessment process of tenders of prime contractors for the Work programme in Scotland. [53564]

The Secretary of State for Scotland (Michael Moore): Over the past year I have had numerous discussions with ministerial colleagues on the development of the Work programme. The Government are encouraging prime contractors to engage voluntary and private sector organisations in the delivery of the programme.

John Robertson: Does the Secretary of State share my concern that the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), may have broken the ministerial code of conduct in awarding the contracts to some companies? Will the Secretary of State make a statement on the matter, and what is he going to do to protect the companies that missed out on the awards that were given out?

Michael Moore: The hon. Gentleman is making a very serious allegation, which my right hon. Friend absolutely refutes. As with any other instance in which people think something inappropriate is happening, there are appropriate channels through which it can be pursued. If there is some evidence on that or any other matter, those channels should be followed.

Dr Whiteford: I declare an interest as a non-remunerated director of the charity Turning Point Scotland.

There has been great unease in Scotland about the tendering process for the Work programme contracts. The tender document clearly outlined the expectation that at least 30% of a prime contractor's subcontracts should be delivered by voluntary sector providers, and it stated:

“This will be a key factor in the tender assessment process.”

Yet the successful bids commit to a mere 8% and 6% voluntary sector delivery respectively. I hope that the Secretary of State shares my concern, and my question to him is simple: what went wrong?

Michael Moore: I acknowledge the hon. Lady's work in the voluntary sector, and I believe that it has a very important role to play not just in getting people back to work but in many aspects of Scottish life. Let us remember that the Work programme is a step change in the provision of support for people to get back into work. We are determined to ensure that we tackle all the problems that have afflicted different parts of Scotland and the rest of the United Kingdom.

The invitation to tender document was absolutely explicit about the criteria, and they were the ones against which bids were measured. As far as the future involvement of the voluntary sector is concerned, the two preferred bidders have indicated that they fully intend to engage with the sector.

Mr Speaker: I call Sheila Gilmore, whose question has been grouped with Questions 1 and 9. She is not here.

Angus Robertson (Moray) (SNP): Does the Secretary of State agree that to secure economic recovery, it is important to listen to the views of the job creators so that we minimise the number of people needing support from the Department for Work and Pensions in the first place?

Michael Moore: Of course it is important that as we recover from the terrible economic situation that we inherited, we focus on creating new jobs. That is why we set out in the Budget continued plans to ensure that we keep interest rates low, reduce corporation tax and reduce the burden of national insurance, compared with the previous Government's plans. We will continue with those measures, to ensure that we rebalance the economy and create more private sector jobs in Scotland and elsewhere.

Angus Robertson: But does the Secretary of State acknowledge the significance of the fact that 200 leading Scottish job creators have today signed a public statement saying that the best approach for the future is to re-elect the Scottish National party Scottish Government, and Alex Salmond as First Minister?

Michael Moore: Funnily enough, I do not agree with the hon. Gentleman on that point. The best approach to the next Scottish Government is to ensure that we have Liberal Democrats at the heart of it, so that we can reinforce the central part that this Government are playing in rebalancing the economy of the UK as a whole. Our agenda for growth is absolutely essential to our recovery from the situation that we inherited.

Ann McKechin (Glasgow North) (Lab): I note that the Secretary of State, in his answer to my written question yesterday, stated that at his recent meeting with Scottish voluntary sector organisations, to which he dragged along the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), he had encouraged the successful bidders to

“engage effectively with the voluntary sector”.—[*Official Report*, 3 May 2011; Vol. 527, c. 662W.]

Will he confirm what he expects that will actually achieve? Can he guarantee that voluntary sector involvement will be more in line with the UK average for the contracts tendered in the Work programme, or is the voluntary sector in Scotland only going to get the crumbs from the table?

Michael Moore: May I first say that I was very pleased to invite the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), to the employment gathering in Edinburgh, which was very well attended by representatives of the different stakeholders and a representative of the Scottish Government? As we made clear at the time, it is our intention to ensure that the voluntary sector is as involved as possible. The two preferred bidders, Ingeus and Working Links, have made it clear that they are going to discuss the role of the voluntary sector in their supply chains. That discussion is ongoing and not yet resolved. Beyond that, there are other streams of work coming out of the Department for Work and Pensions for which the voluntary sector and others will be able to bid.

Ann McKechin: I note that the Secretary of State is still unable to provide us with a figure. Doubt will remain in the voluntary sector, which has suffered a massive drop in income as a result of the Work programme, which offers fewer places than were offered under previous Government-operated schemes. Does he agree that the experience and knowledge of the voluntary sector of the future jobs fund is testament to its strength? Does he agree that Scotland needs a new future jobs fund, so that we can offer places for the thousands of people who are coming out of school and college with nowhere to go?

Michael Moore: I am happy to acknowledge that under the previous Government, of whom the hon. Lady was a member, youth unemployment rose consistently through periods of growth as well as during the recession. I accept that we have a major challenge, which is why I will bring together different employment sector representatives in Irvine in a couple of weeks' time.

It is important for all of us that we get the voluntary sector engaged. The future jobs fund was a very costly scheme, and its results do not bear out the hon. Lady's assertions. It is not the case that it led to sustainable jobs—but the new Work programme will do exactly that.

Universal Credit

2. **Guto Bebb** (Aberconwy) (Con): What discussions he has had with the Secretary of State for Work and Pensions on the implementation in Scotland of the Government's proposals for universal credit. [53555]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Secretary of State for Scotland and I are in regular contact with the Secretary of State for Work and Pensions on a range of issues concerning implementation of the universal credit in Scotland.

Guto Bebb: In Scotland, the public sector accounts for about 50% of gross domestic product. If we are to succeed in making the country less dependent on the public sector, we need to ensure that the private sector has access to the personnel that it needs to grow. Does the Minister agree that the universal credit will help to make work pay, and that it will contribute to the rebalancing of the economy of Scotland and the UK?

David Mundell: I do indeed agree with my hon. Friend, who will be pleased to note that already during the incapacity benefit reassessment trial taking place in Aberdeen, a large number of people who not only want to work, but also want the support to help them to work, have been identified and have found opportunities to work in the private sector.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the proposed universal credit in Scotland be affected by the Chancellor's proposed changes in tax and national insurance, particularly in relation to the tax proposals in the Scotland Bill?

David Mundell: The hon. Gentleman has followed the progress of the Scotland Bill in detail, but he will know that in relation to the core aspects of universal credit and benefits, the Government have given an undertaking that no one will be worse off in cash terms when the universal credit is introduced.

Iain Stewart (Milton Keynes South) (Con): Does my hon. Friend agree that the current complexity of the benefits system means that too many Scottish claimants do not receive the benefits to which they are entitled, and that universal credit will help to target the right support on the right people?

David Mundell: I certainly agree with my hon. Friend. The amount of benefit that goes unclaimed in Scotland is a national disgrace. The system of universal credit will simplify the benefits system, as well as making work pay and combating worklessness and poverty. That is something that hon. Members on both sides of the House should welcome; it is a marked change from the 13 years of inaction from the previous Government.

“The Plan for Growth”

3. **Mary Macleod** (Brentford and Isleworth) (Con): What assessment he has made of the likely effect on the Scottish economy of the implementation of “The Plan for Growth”. [53556]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Returning the United Kingdom to sustainable economic growth is the Government's overriding priority. We are doing everything to create the conditions that enable all businesses in Scotland to be successful and create more jobs. Our plan for growth is a plan for the whole of the UK.

Mary Macleod: What views and reactions is my hon. Friend aware of among our colleagues in the Scottish Parliament and the business community in relation to the Government's proposals to support small and medium-sized businesses?

David Mundell: The Government's proposals for reducing corporation tax and for making changes to national insurance have been widely welcomed by businesses across Scotland. Of course, as my hon. Friend will know, small businesses in Scotland have particularly benefited from small business relief, which was delivered by Conservative MSPs.

Ann McKechnin (Glasgow North) (Lab): Inflation is at double the Government's target, growth has been downgraded for the next two years, retail figures are down and consumer confidence is at rock bottom. Will the Minister for once stand up for Scotland and concede that while the cuts may be hurting, they are not working, and that it is time for the Government to have a plan B for growth?

David Mundell: This Government do have a plan for growth—unlike our predecessor. We have set out ambitious objectives to create the most competitive tax system in the G20, to make the UK the best place in Europe to do business, to encourage investment and exports, and to create the most flexible and educated work force in Britain.

I am sure the hon. Lady is good at figures. She will know that her party started the Scottish elections with a 10-point lead, and that today it has an 18-point deficit. That is good work with figures.

Mr Mike Weir (Angus) (SNP): Can the Minister tell us what part of the plan for growth is behind the bright idea of his colleague the Chief Secretary to the Treasury to impose a massive increase in taxation on the oil and gas industry, jeopardising investment and up to 50,000 jobs?

David Mundell: The hon. Gentleman would have some credibility in asking that question had he not repeatedly raised in the Chamber the costs of petrol and fuel oil in his constituency. It is clear that the Chancellor and the Chief Secretary got the balance right in the Budget between the taxation of the oil industry and the taxation of the motorist. If the hon. Gentleman wants to tell his constituents that they should be paying 6p a litre more on their fuel, he is welcome to do so.

Mr Speaker: I call Rosie Cooper to ask Question 4. She is not here.

Unemployment

5. **Mr Brian H. Donohoe** (Central Ayrshire) (Lab): By what date he expects the level of unemployment in Scotland to begin to reduce. [53558]

6. **Nic Dakin** (Scunthorpe) (Lab): What steps he is taking to reduce the level of unemployment in Scotland. [53559]

8. **Jim McGovern** (Dundee West) (Lab): What steps the Government is taking to reduce the level of unemployment in Scotland; and if he will make a statement. [53563]

The Secretary of State for Scotland (Michael Moore): Unemployment has fallen steadily since August 2010 and employment has increased in the same period. This is a welcome sign. Supporting companies to create and sustain jobs and helping people into work are key priorities for the Government. On 19 May I am hosting a seminar in north Ayrshire, in the constituency of the hon. Member for Central Ayrshire (Mr Donohoe), on youth unemployment, and my right hon. Friend the Secretary of State for Work and Pensions will join me at this important event.

Mr Donohoe: I look forward to our meeting on 19 May. On a another matter concerning unemployment, does the Secretary of State think that the separation of Scotland from the rest of the UK would help or hinder employment prospects for people in Scotland?

Michael Moore: It would be an absolute disaster for Scotland to separate from the rest of the United Kingdom. It is interesting that even the Scottish National party appears to recognise that, because it is not campaigning very hard on the subject.

Nic Dakin: In the Secretary of State's answer to my hon. Friend the Member for Glasgow North (Ann McKechnin), our Front-Bench spokesperson, he recognised that youth unemployment continues to rise in Scotland. When does he believe that his actions will begin to bring it down to an acceptable level?

Michael Moore: In response to the question from the hon. Member for Glasgow North (Ann McKechnin), I said that youth unemployment had been a problem for a good long period across the United Kingdom, including under the previous Government during periods of growth. The Prime Minister, the Work and Pensions Secretary, I and everybody else recognise the need to bring it down, which is why we are meeting to discuss the core issues behind the problem, and why, through the Get Britain Working programme and the Work programme, which we have discussed already, we are introducing measures to get young and old alike off the unemployment register and back into productive work.

Jim McGovern: When will the penny eventually drop for the coalition Government? Last week in response to the Scottish Affairs Committee report on the computer games industry, the Government said that there is no case for tax incentives for the computer games industry, which is very important to this country. That was rather callous coming a week after another computer games company in my constituency went bust. Will the Government accept the blatantly obvious fact that if we want companies to set up in this country, we have to offer incentives at least comparable to those offered by our competitors overseas?

Michael Moore: First, may I again recognise the hon. Gentleman's consistent efforts on behalf of the computer games industry? I recognise the importance of the industry not just to Dundee and Scotland, but to the UK as a

whole. As he knows—and as I hope the response to the Select Committee’s report reinforces—we have considered very carefully the incentives we need to offer not just to the computer games industry, but to a whole range of sectors in Scotland and across the country. It is our judgment that to get ourselves away from the danger zone we were in last May, it is important to tackle the deficit and to get ourselves on the path to growth. We have done that in successive Budgets setting out plans to reduce corporation tax, to keep interest levels low, to reduce the national insurance burden and to set out important new targets for banks and their lending to small businesses. That applies to the computer industry sector as much as to any others. Once again I will be happy to meet with him to discuss the matter, if he would like.

Mr Alan Reid (Argyll and Bute) (LD): Unemployment in Kintyre will be greatly reduced if the community group’s bid to buy the former air base at Machrihanish goes ahead. I thank the Secretary of State for meeting the community group recently. I have written to him with a list of outstanding issues that are still to be resolved. I ask that Scotland Office Ministers continue to work with Defence Ministers and the community group to resolve those outstanding issues as quickly as possible, so that the buy-out can go ahead, with exciting prospects for the Kintyre economy.

Michael Moore: Again, I pay tribute to my hon. Friend’s sterling efforts on this issue. I also welcomed the opportunity to meet representatives from the Machrihanish group a few months ago. I recognise that there are still issues that the group wishes to see resolved, and that these involve ongoing discussion with the Ministry of Defence. I will ensure that my right hon. and hon. Friends in the Ministry of Defence are aware of the details of my hon. Friend’s concerns, and that he receives a response to them.

Scottish Independence (Banking Failure)

7. **Mr Philip Hollobone** (Kettering) (Con): Whether his Department and the Treasury have assessed the potential effect of banking failure on the economy of an independent Scotland. [53562]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Banks and other financial institutions are vital to the functioning of the economy. Although no specific work has been commissioned on the banking bail-out in Scotland, a 2010 National Audit Office report states that the total amount at stake is currently £512 billion. As of December 2010, £124 billion in cash had been invested in Government financial interventions. Based on NAO data, the Scottish Parliament Information Centre, SPICe, has estimated that the Royal Bank of Scotland and the Lloyds Bank Group were provided with £470 billion. SPICe also calculated that this figure was three times the annual Scottish GDP, and that the total UK Government intervention of £751 billion was equivalent to just over half of UK GDP.

Mr Hollobone: Do those figures not show that, like Iceland and Ireland, a separate Scotland would simply not have been able to survive the international banking

crisis on its own? Is it not the case that Scotland’s economy will always be better off inside, rather than outside, the United Kingdom?

David Mundell: I could not agree more with my hon. Friend. It is interesting that as we enter the Scottish Parliament election period, the Scottish National party appears to have forgotten its proclamation about the arc of prosperity and Scotland’s wish to join the economies of Ireland and Iceland. The First Minister, Alex Salmond, also appears to have forgotten saying in the 2007 campaign:

“We are pledging a light-touch regulation suitable to a Scottish financial sector with its outstanding reputation for probity, as opposed to one like that in the UK, which absorbs huge amounts of management time in ‘gold-plated’ regulation.”

Pete Wishart (Perth and North Perthshire) (SNP): That response shows that what has characterised the Scottish election campaign is that positivity wins over negativity. Will the right hon. Gentleman at least acknowledge and recognise that the failure of those so-called Scottish banks was down to UK regulation?

David Mundell: I do not think that the hon. Gentleman was listening to my last response. His leader, Alex Salmond, previously described the UK regulation as “gold-plated” and, at the previous Scottish elections, offered the voters “light-touch regulation”. This is the same Alex Salmond who said that the banking crisis was down to “spivs and speculators”.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): One of the most pernicious effects of the banking failure in Scotland at the moment is the withdrawal by nationalised banks at short notice of funding for small businesses, such as TDI Ltd in my constituency. What will the Minister do to hold the moneylenders’ feet to the fire and get Project Merlin properly adhered to?

David Mundell: The Secretary of State and I are in regular contact with the banks operating in Scotland to ensure that Merlin goes forward as envisaged. We are also willing to take up individual cases such as the one that my hon. Friend mentions, which, if he refers it to us, we will refer directly to the banks in question. [Interruption.]

Mr Speaker: Order. There are far too many private conversations taking place in the Chamber. It is very discourteous, and I am sure that the House wishes to hear Mr Greg Hands.

Greg Hands (Chelsea and Fulham) (Con): Thank you, Mr Speaker. Will the Minister join me in welcoming the report by the Independent Commission on Banking, under Sir John Vickers, and can he remind the House who, in the last Parliament, awarded Sir Fred Goodwin a knighthood for services to banking?

David Mundell: My hon. Friend’s interventions at Scottish questions are always welcome. He is quite right to suggest that it was the Labour Government who not only awarded Sir Fred Goodwin his knighthood but involved him in virtually every other initiative that they pursued in Scotland. The Vickers report is to be welcomed in Scotland, as it is elsewhere in the United Kingdom.

Election Timing

11. **Karl McCartney** (Lincoln) (Con): What progress he has made on measures to prevent the coincidence of elections to the House of Commons and to the Scottish Parliament in May 2015. [53566]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Government amendments to the Fixed-term Parliaments Bill deferring the 2015 Scottish Parliament elections until 5 May 2016 were agreed by the other place on 29 March.

Karl McCartney: In addition to outlining those measures, will my right hon. Friend update the House on progress towards the establishment of the commission to examine the West Lothian question, on its membership and on when we might expect to see its conclusions and recommendations?

David Mundell: As my hon. Friend knows, the coalition's programme for government promised to establish a commission to consider the West Lothian question. A commission will be established this year to consider it, and the Government are committed to addressing the issue. We are continuing to give careful consideration to the timing, composition, scope and remit of the commission. It will need to take into account our proposals for reform of the House of Lords to create a wholly or mainly elected second Chamber, the changes in how this House does its business, and amendments to the devolution regimes such as those in the Scotland Bill, which is now before the House.

Renewable Energy

12. **Jo Swinson** (East Dunbartonshire) (LD): What discussions he has had with ministerial colleagues on the potential for renewable energy generation in Scotland. [53567]

The Secretary of State for Scotland (Michael Moore): I have regular discussions with ministerial colleagues on a wide range of energy-related issues. Scotland has a growing reputation as a world leader in renewable energy, and we will continue to work with industry and the Scottish Government to develop these opportunities.

Jo Swinson: I thank the Secretary of State for that reply. Last month, six Scottish wind farms were paid a total of £900,000 to stop producing energy because the grid could not absorb it. What will the Government do to strengthen grid capacity and improve energy storage so that that kind of waste does not happen, and so that Scotland can properly harness its vast resources of marine, hydro and wind energy?

Michael Moore: First, may I highlight the fact that, under the complex energy management arrangements for the grid, arrangements have to be made from time to time to ensure that we can stop or increase energy production? Through those arrangements, payments are made for stopping and increasing production; that is understood. The Government have set out an ambitious programme for energy reform through our energy market reform proposals. The consultation on that programme was recently concluded, and my right hon. Friend the

Secretary of State for Energy and Climate Change intends to publish a White Paper on the subject in the near future. Through that, and through other measures such as the transmission grid charges review, we will seek to ensure that we have the capacity and capability to exploit the renewable energy potential not only of Scotland but of the whole United Kingdom. Our other initiatives relating to the green investment bank and the offer to the Scottish Government to release the fossil fuel surplus are indicative of our intention to play a full part in the renewables revolution.

Mr Wayne David (Caerphilly) (Lab): What meaningful discussions has the Secretary of State had with the Scottish Government on this vital issue? [*Interruption.*]

Michael Moore: I am afraid that I did not hear the hon. Gentleman's question. I wonder whether he could repeat it.

Mr Speaker: The hon. Gentleman may repeat the question.

Mr David: I was asking the Secretary of State what meaningful discussions he had had with the Scottish Government on this vital issue.

Michael Moore: There have been regular and ongoing discussions with the previous Scottish Government on these issues. I have to record great disappointment that despite our offer to release the fossil fuel surplus—something that eluded the previous Government—they were not keen to take it up. I hope that the new Government elected tomorrow, with Liberal Democrats at the core of it, will take up that very positive measure.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Secretary of State may know that the Energy and Climate Change Committee has had meetings with investors in the renewables sector in which concerns have been raised that long-term capital investments are involved, and that if the price of carbon were to change in investors' favour, future Governments might introduce a windfall tax to compensate electricity consumers. Will my right hon. Friend reinforce the point made in the debate on Treasury matters last night that the Government want to engage with the oil and gas industry to ensure that any concerns about the stability of the tax regime can be dealt with, so that we can have a constructive engagement with the aim of maximising investment in all energy futures for this country?

Mr Speaker: Order. We need to have time for the answer.

Michael Moore: My hon. Friend makes an important point. I followed his contribution and that of my right hon. Friend the Member for Gordon (Malcolm Bruce) last night with great interest. As my hon. Friend the Economic Secretary to the Treasury pointed out, their thoughtful and constructive contribution to the debate was very worth while. We are properly engaged with the oil and gas sector, as we will be with the renewables sector, to ensure that we can put in place long-term sustainable tax regimes and other arrangements that will help to boost those important parts of the British economy.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [53892] **Jim McGovern** (Dundee West) (Lab): If he will list his official engagements for Wednesday 4 May.

The Prime Minister (Mr David Cameron): This morning, I had meetings with ministerial colleagues and others, and in addition to my duties in this House I shall have further such meetings later today.

Jim McGovern: The abolition of council tax, the scrapping of student debt, the £2,000 endowment for first-time home buyers and, of course, the referendum on separatism were all promises made by the Scottish National party prior to the last Scottish elections, all of which were never kept. Will the Prime Minister inform me, the House and the country whether certain political commentators are correct when they say that he would prefer to see the separatists returned in Edinburgh for one reason only—to avoid a Labour victory?

The Prime Minister: I am happy to confirm that what I would like to see in Scotland is the greatest possible showing for Annabel Goldie, who has led the Conservatives with such distinction. I do not think I want to intrude on the private grief between Labour and the SNP, but one thing I will say: whatever the outcome of that election, I, for one, will always stand four-square behind the United Kingdom.

Dr Phillip Lee (Bracknell) (Con): Is the Prime Minister aware of the significant fires raging in Swinley forest in my Bracknell constituency? I am sure he would like to join me in congratulating the fire and police services on the sterling work that is being done, and hope he will guarantee that the Government will be there if any requests are made by those services.

The Prime Minister: I certainly join my hon. Friend in praising the fire and other services taking part in this difficult endeavour. As he knows, there are well tried and tested procedures to make sure that central Government stand behind local government when there are excessive costs. I will happily write to my hon. Friend about that issue.

Edward Miliband (Doncaster North) (Lab): Will the Prime Minister tell us how many experienced police officers are being forcibly retired as a result of his 20% cuts to police budgets?

The Prime Minister: The decisions about police officer numbers will depend on the decisions made by chief constables in individual parts of the country. The point is that we can see in case after case that there are far too many police officers in back-office jobs, doing paperwork and carrying out corporate development work who should be on the front line. Responsible chief constables are getting those officers out on the front line to fight crime—and crime is falling under this Government.

Edward Miliband: I do not know whether the Prime Minister does not know the answer to the question or whether he chooses not to answer it. Let me tell him the answer: 2,100 experienced police officers with more than 30 years' experience are being forcibly retired. Let us take the case of former beat officer, Martin Heard, who was forced to retire from Wolverhampton police. He is now being asked to come back to the force as a volunteer special constable—unpaid—to fill the gaps left by the cuts. What does the Prime Minister have to say to Martin Heard?

The Prime Minister: What is absolutely clear is that what we are getting from the Labour party is complete and utter hypocrisy. We know at the time of the last election that Labour was specifically asked, and I quote the interview:

“Can you guarantee if you form the next government that police numbers won't fall?”

The Home Affairs spokesman at the time, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), said “No”, he could not guarantee that. The question is not whether the budget should be reduced—of course it has to be—but who is going to cut the paperwork, who is going to get rid of the bureaucracy, who is going to trust the local managers to make sure we get police on the front line. Those are steps we are taking; those are steps his Government never took.

Edward Miliband: He is the guy who came along and said that cuts not of 12% but of 20% were necessary for efficiency savings in the police budget. It is his choice; why does he not defend it? Perhaps one reason people are so angry is that a year ago the Prime Minister said on the eve of the election:

“Any cabinet minister who comes to me... and says ‘Here are my plans’ and they involve frontline reductions, they'll be sent”

packing. What does he say to the Home Secretary about cases such as that of Martin Heard—or has he just broken another promise?

The Prime Minister: What the Home Secretary is doing is what police leaders up and down the country are doing: trying to get more police on the beat. In my own force in the Thames valley, that is exactly what is happening.

When it comes to defending front-line services, is it not time that the right hon. Gentleman talked to Labour local authorities such as Manchester city council, which, although the average cut in local government spending power is just 4.5%, is cutting services by 25%? Are not Labour local authorities playing politics with people's jobs?

Edward Miliband: The Prime Minister knows that he cannot defend his broken promises on policing. Let us talk about the other broken promises led by the Deputy Prime Minister. We know that the majority of universities are proposing to charge tuition fees of £9,000 a year. Can the Prime Minister tell us how many of them he expects to have their proposed fees cut by the Office for Fair Access?

The Prime Minister: That decision will depend on the Office for Fair Access.

The right hon. Gentleman talks about broken promises. The fact is that it was the last Government who introduced tuition fees and top-up fees—but we have a new doctrine on the leader of the Labour party's attitude to the last Government, which he announced in an interview with *The Sun*. He said:

"I am not going to defend what happened in the past just because I happen to have been in the last Government."

Presumably we should not listen to him now just because he happens to be the Leader of the Opposition.

Edward Miliband: Once again, the Prime Minister has not answered the question. We know from the Office for Fair Access that it is not going to cut the fees of the universities. The assistant director said at the weekend:

"We are not a free pricing regulator: that is not our role... we wouldn't say to an institution we would only allow a fee of 'X' or 'Y'."

Will not the Prime Minister admit that on top of a broken promise not to raise tuition fees and a broken promise that £9,000 would be the exception, he is now breaking another promise on the capping of excessive fees?

The Prime Minister: The fact is that we will have to wait until July, when the access regulator—*[Interruption.]* Let me make this point to the right hon. Gentleman. Degrees have not suddenly started to cost £7,000, £8,000 or £9,000. Degrees have always cost that much. The question is, who will pay for them? We say that successful graduates earning more than £21,000 a year should pay for them rather than taxpayers, many of whom do not go to university.

I have to say this to the right hon. Gentleman. He made a promise: a promise that he would have a fully costed alternative to our fees programme by the end of the last year. Where is it? Another broken promise!

Edward Miliband: That is what we have come to expect from this Prime Minister. He is hazy on the facts, and unable to give a straight answer to a straight question. I know how the Energy Secretary must have felt in Cabinet yesterday. Remember what was said a year ago about two parties working

"Together in the national interest"?

Now what do we have? We have two parties threatening to sue each other in their own interests. That is what has changed in the last year.

What the public are saying, in relation to police cuts, tuition fees and the NHS, is "This is not what we voted for." Given that the Government have broken so many of the promises that they made a year ago, how can the public believe anything that they say at the elections tomorrow?

The Prime Minister: Even the jokes have been bad this week. The fact is that what this coalition Government have done over the past year is freeze council tax, cap immigration, lift a million people out of income tax, introduce a pupil premium, link the pension back to earnings, cut corporation tax, and set up more academies in 10 months than the last Government set up in 10 years. At the council elections tomorrow, people should remember the mess that Labour left us in, and resolve not to let Labour do to their councils what it did to our country. *[Interruption.]*

Mr Speaker: Order. The Minister for Children is under no obligation to behave like a child. It is not required.

Q2. [53893] **Caroline Dinenage** (Gosport) (Con): Does the Prime Minister agree with the comment of Lord Glasman, special adviser to the Leader of the Opposition, that the last Government lied to the British people about the extent of immigration?

The Prime Minister: My hon. Friend raises an important point, which is that the last Government did not tell it straight to people about what was happening on immigration and that it has fallen to this Government to take the steps to get the numbers under control. Indeed, Lord Glasman said something that I have said many times, which is that under the last Government there was

"very hard rhetoric combined with a very loose policy" and that was the worst approach of all.

Mr Jack Straw (Blackburn) (Lab): Does the Prime Minister share my profound anxiety about the recommendation of the advocate-general to the European Court of Justice for a European-wide ban on the patenting of stem cell research based on human embryos? Does he agree that were such a ban to be confirmed by the ECJ it would have profoundly damaging effects on our science base and our pharmaceutical industries? Is he able to say what contingency plans the Government are putting in place to minimise the effect of any such ban?

The Prime Minister: The right hon. Gentleman makes an important point, and I thank him for giving me some notice of this issue. The point I would make is that this House and the House of Lords have had extensive debates to arrive at the policy that we have. I believe that it is right to try to maintain the UK as a world leader in stem cell research. Under European law, uses of human embryos for industrial or commercial purposes are exempted from patent protection. As I understand it, the legal opinion of the advocate-general at the ECJ on the scope of this exemption is advisory and does not bind the Court. As such, the opinion currently has no impact on British researchers, but we should keep this position under review.

Q4. [53895] **Jeremy Lefroy** (Stafford) (Con): Several manufacturing businesses in Staffordshire, including Alstom in my constituency, have recently committed to significant investments and are increasing their work force. What measures does my right hon. Friend believe are necessary to ensure that the welcome growth in manufacturing in the UK continues for the long term?

The Prime Minister: My hon. Friend makes an important point, which is that we do want growth in manufacturing, which is very strong at the moment and has been over the past year, to be maintained. I well remember visiting the Alstom plant, although I was slightly less successful in winning Stafford than he was at the last election. Such plants will benefit from our policies of cutting taxes, boosting apprenticeships, investing in capital projects and doing everything we can as a Government and as a country to support our export industries and sell Britain around the world.

Mr Bob Ainsworth (Coventry North East) (Lab): On 25 June last year, speaking on the Ark Royal, the Prime Minister told our armed forces that he would enshrine the military covenant in law. Why is he watering down that commitment to a useless referencing?

The Prime Minister: I do not believe for a minute that that is what is being done. What is going to happen is that we are going to clearly reference the covenant in law and then the covenant will be published and debated in this House every year. It is vital that we are able to update and improve it every year, because our military personnel face so many changing circumstances. We are looking across government at all the things we can do, for example, on health care, on education, and on things such as council tax for soldiers serving overseas—these are many of the things that the last Government failed to do—to look after our armed service personnel.

Q5. [53896] **Jane Ellison** (Battersea) (Con): Later this month, Edward Lister, the Conservative leader of Wandsworth council for nearly 20 years, moves on to be the chief of staff to the Mayor of London. Will the Prime Minister join me in paying tribute to him for his leadership in consistently delivering the UK's lowest average council tax along with top-rated front-line services? Will the Prime Minister urge more councils to follow suit?

The Prime Minister: I thank my hon. Friend for her question. It gives me the opportunity not only to praise Edward Lister, who has done a fantastic job over many years, but to pay tribute to Sir Simon Milton, who occupied that position and is admired on all sides of the House for the work he did at Westminster and then at the Mayor's office. What Wandsworth has shown over many years is that it is possible to combine low taxes with good services if all the time you are trying to improve efficiencies. That is what councils up and down our country should be focused on, particularly in a year when we have to make spending reductions.

Pamela Nash (Airdrie and Shotts) (Lab): One of Scottish Labour's key manifesto commitments is the First Foot initiative, which will help thousands of first-time buyers to get a foot on the property ladder. What is this Prime Minister doing to help this generation of home buyers, who are crippled by unemployment, student debt and rising living costs, and therefore cannot save a deposit for a House?

The Prime Minister: The proposal in Scotland sounds quite like our proposal in the Budget for First Buy, which will help tens of thousands of young people to get on the property ladder by helping them with the deposit that many families find it extremely difficult to raise. There is a real worry in our country that the age of the first-time buyer is getting older and older, and that many families are finding that unless they have family help behind them they simply cannot get on the housing ladder. We must ensure that that is not the case and First Buy is a very good proposal that we are introducing in England. I will be interested to see what happens in Scotland.

Q6. [53897] **Stephen Mosley** (City of Chester) (Con): Conservative-run Cheshire West and Chester council is saving millions by cutting waste, boosting efficiency

and selling surplus property to help protect front-line services. Meanwhile, in next-door Labour-run Halton, the council is cutting back on bin collections and road maintenance instead. What does my right hon. Friend think can be done to help councils reach fair and sensible decisions?

The Prime Minister: I would encourage all councils to look at costs that can be cut that are not on the front line. Many Conservative councils are sharing chief executives with their neighbouring councils and cutting councillors' allowances and chief executive pay. There are too many examples, particularly in Labour councils, of chief executives being paid far too much and of not nearly enough attention being paid to cut the back-office costs so we can keep the services going.

Jack Dromey (Birmingham, Erdington) (Lab): The Government are cutting the police and Birmingham city council is cutting care to the elderly and disabled. There is dismay in my constituency that high-need, high-unemployment Birmingham is being hit far harder than the leafy shires such as Surrey. Will the Prime Minister therefore answer the question put to me by my constituents—why have the Tories got it in for Birmingham?

The Prime Minister: A coalition between Conservatives and Liberal Democrats has been doing a great job for Birmingham, ensuring that council tax is kept down, investing in housing and ensuring that there are good public services. Many of the things we have done, such as the regional growth fund, are targeted at areas such as Birmingham. The hon. Gentleman should go back to his constituents, and after he has apologised to them for the fact he was the winner of an all-woman shortlist he should tell them that coalition government between Conservatives and Liberal Democrats is working at Westminster and working well in Birmingham.

Q7. [53898] **Mr James Clappison** (Hertsmere) (Con): In 2005, the previous Labour Government agreed to hand back part of the UK's EU rebate at a cost to UK taxpayers of £9.4 billion over the lifetime of this Parliament. Has my right hon. Friend seen any evidence of what precisely was obtained in return for that remarkable generosity?

The Prime Minister: My hon. Friend makes an important point. Part of the rebate was given up and it was not given up for any proper promise in return. We were told that there would be a promise of real reform of the common agricultural policy and that did not appear. That shows me that we have to be incredibly tough in the budget negotiations this year and next so that when we go into the financial framework for the next seven or eight years we ensure that we keep the costs of this organisation under control.

Q9. [53900] **Kelvin Hopkins** (Luton North) (Lab): The Government's savage cuts are set to destroy some half a million jobs in the public sector and, according to PricewaterhouseCoopers, a similar number in the private sector. With thousands more on the dole, paying no taxes and dependent on benefits, the deficit will increase rather than reduce. As sure as night follows day, we will see a collapse in the housing market, a collapse in

support for the Tories and a return to Labour government. Will the Prime Minister enjoy saying goodbye to most of his colleagues and sitting on this side of the House?

The Prime Minister: I thought the hon. Gentleman was from Luton, but he sounds like he is from fairy dairy land. Let me remind him that compared with this time last year 400,000 more people are in jobs in the private sector. That is what has happened through our getting the deficit under control, getting the economy growing and ensuring that we deal with the mess we were left by the Opposition.

Q10. [53901] **Andrew Selous** (South West Bedfordshire) (Con): Is my right hon. Friend aware that Conservative-run Central Bedfordshire council has been rated as the highest performing council of all its statistical neighbours by PricewaterhouseCoopers for value for money, effectiveness and service delivery? Is this not the type of example that we should encourage more councils to follow?

The Prime Minister: My hon. Friend is absolutely right. Well-run councils that ensure they are cutting back-office costs can provide good services. When one looks at the figures, one can see that those Conservative councils are not just costing less for a band D property but doing better on measures such as recycling and other service delivery. It is simply not true to say that by cutting costs councils harm services. They have to be effective at keeping their costs down to provide good services.

Q11. [53902] **Kerry McCarthy** (Bristol East) (Lab): Next Wednesday, the Hardest Hit campaign will be lobbying MPs in Parliament through constituents of ours with severe disabilities and chronic illnesses who are bearing the brunt of this Government's attack on welfare benefits and public services. Will the Prime Minister have the courage to meet some of those campaigners face to face next week so that he can hear from them at first hand about the devastating impact that this callous and uncaring Government are having on their lives?

The Prime Minister: I make two points to the hon. Lady. First, the most important line of defence to help people with severe disabilities and severe need is the national health service and it is this Government who are putting more money into the national health service—£11.5 billion extra. That money would not have been available if we had a Labour Government; we know that because we can see Labour cutting £1 billion off the NHS in Wales. In terms of reforming benefits, I thought we had the support of the Labour party to reform benefits to make sure they are helping those who need the help most.

Q12. [53903] **Jason McCartney** (Colne Valley) (Con): Last week, I joined 170 other Huddersfield Town fans in cycling from Huddersfield to Brighton to raise £200,000 for the Yorkshire air ambulance. Will the Prime Minister join me in praising Huddersfield Town for raising that money and will he also look into why the air ambulance has to pay VAT on its fuel although the Royal National Lifeboat Institution—another emergency charity service—does not?

The Prime Minister: First, I would like to congratulate my hon. Friend on his bicycling feat, as well as all those who took part from Huddersfield Town. I also pay tribute to our air ambulance crews across the country, who do an amazing and brilliant job. I have looked specifically at this issue. As he probably knows, the EU VAT directive does make an exemption for lifeboats, but there is no equivalent provision for supplies used by other charities and we are not able to change that. However, we are able to do more for charities, as we did in the Budget, including with the inheritance tax exemption, which I think is going to make a huge difference for charities up and down our country. I hope that he will do everything he can to encourage them to make use of that.

Q13. [53904] **Tony Lloyd** (Manchester Central) (Lab): Child poverty is a cancer that means that children in our society go to bed hungry in homes that their parents cannot afford to heat. The Prime Minister will be aware of the recent Organisation for Economic Co-operation and Development report that says that the great progress that was made has now stalled and that the numbers are once again due to go up. If the Prime Minister agrees with me, as I think he will, that this is a moral imperative for any Government, will he tell the House what he will do now to change policy and make sure that our innocent children will not be the victims of Government cuts?

The Prime Minister: I do believe it is a moral imperative and I have looked at the OECD report carefully, which does show that things stalled under the previous Government in recent years. What I would say is that despite having had to take difficult decisions in the Budget we did make sure that there has been no increase in child poverty as a result of the Budget. I think it is time, frankly, for a more mature, cross-party debate on how we can make sure that we get people out of poverty rather than just looking at the transfer of money between rich and poor. That is why we are looking at things such as the pupil premium, free nursery education for deprived two-year-olds and making sure that Sure Start is working properly, because it is all those things that will help children out of poverty in a more sustainable way.

Q14. [53905] **Greg Hands** (Chelsea and Fulham) (Con): This week, the three top-rated councils of Hammersmith and Fulham, Kensington and Chelsea and Westminster are discussing extending their combined services to save £35 million a year while still improving front-line services. What can the Prime Minister do to encourage this approach rather than that of Labour-run Hounslow, which is closing day care centres, squeezing parks maintenance and cutting mental health services in a slash-and-burn approach?

The Prime Minister: I think this is a very important point and I hope that councils up and down the country will look at it. Three large councils are coming together and saving £35 million because they are sharing back-office services, executive teams and so on. Frankly, if they can do it, as large councils that have big responsibilities, many other councils should be doing it in London and elsewhere. Until we see that happening, I do not think it is realistic to say that it is necessary for councils to cut front-line services.

Mike Gapes (Ilford South) (Lab/Co-op): More than 100 years ago, Parliament legislated to make sure that local authorities provided allotments. Healthy local food is a very good part of good British values. Why therefore are the Prime Minister's Government scrapping the obligation on local authorities to provide allotments?

The Prime Minister: I was as concerned as the hon. Gentleman when I read that report. I immediately checked, and found that that is not the case. It is extremely important that allotments are made available. Many Members will find that when they ask about that in their constituencies there are massive queues for allotments, as many people want to grow their own vegetables and food and understand more about where food comes from. It is a great movement, and it has my full support.

Q15. [53906] **Mark Menzies** (Fylde) (Con): The chief executive of Conservative-run Fylde borough council has taken a 5% pay cut, whereas Labour-run Blackburn has cut services to young and vulnerable people while increasing its reserve to £12.7 million. What can the Prime Minister do to encourage councils to behave more responsibly like Conservative-run Fylde?

The Prime Minister: One of the most important things that we can do is make all that information available. This Government have massively increased transparency. Every council in the country has to declare its spending on any item over £500, and people have found that useful in seeing how much council executives are paid, how much councillors are paid, and making sure that they bear down on those costs. I commend what is happening in Fylde, and it is a matter of great regret that there is still one council—Labour-controlled Nottingham—that will not make that information available.

Mr Michael Meacher (Oldham West and Royton) (Lab): Given that private borrowing was falling at the last election why, according to the Office for Budget Responsibility, do the Government plan to ramp it up by half a trillion pounds to a total of more than £2 trillion by 2015?

The Prime Minister: What the Government are doing is getting control of Government borrowing—that was the real crisis at the last election. It is an important point to make, particularly on a day when we read about Portugal going for an enormous bail-out. It is worth reminding ourselves that today we have a bigger budget deficit than Portugal. The reason we are not in Portugal's position is that we took action in two brave Budgets and a spending round to clear up the mess left by the right hon. Gentleman's hon. Friends.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I am sure, Mr Speaker, that you and the Prime Minister have enjoyed the good weather, especially last Friday, the day of the royal wedding, and perhaps visited tourist hot spots such as Southwold and Aldeburgh. Just down the road from those hot spots, farmers might be about to suffer a drought, and are genuinely concerned about the lack of rain, as their ability to abstract water may be limited. Will the Prime Minister meet me to discuss those genuine concerns about restricting water for our farmers?

The Prime Minister: I am happy to meet my hon. Friend. Everyone has been enjoying the recent weather, and it was fantastic that the weather was so good for the royal wedding. However, farmers face real issues because, at a time of year when they expect a lot of rain, they have had virtually none.

Mrs Mary Glendon (North Tyneside) (Lab): With the strong likelihood that the Lib Dems will come off worst in tomorrow's local elections, and hopefully the rejection of the alternative vote in the referendum, what political words of comfort will the Prime Minister have for his by then beleaguered deputy on Friday?

The Prime Minister: Of course, we do not agree about the future of our electoral system. We are having a referendum and a debate about it, but the reason for having a coalition Government coming together and sorting out this country's problems in the national interest is as good an argument today as it was a year ago, when we came into government to clear up the mess made by the Opposition.

Rory Stewart (Penrith and The Border) (Con): In the light of the success of the royal wedding for public diplomacy, does the Prime Minister believe that it reinforces the importance of a different narrative for the diamond jubilee from the Olympics, in terms of what it can do for Britain's international reputation?

The Prime Minister: We have a fantastic opportunity next year to show all faces of Britain, both modern and traditional. We are going to celebrate the jubilee, and I think that people will want to celebrate the incredible public service that Her Majesty the Queen has given over many years as an absolutely amazing model public servant. People will also want to celebrate the Olympics as a celebration of sport and all that is best about Britain. The royal wedding, as the Major of London said, was in many ways a dry run for how we handle some of those events, and everyone in the country has a lot to look forward to next year.

Alison McGovern (Wirral South) (Lab): Many of my constituents in Wirral worry about the quality of care that older people, especially those with dementia, receive in hospital. How does the Prime Minister think that his now paused, top-down reorganisation of the NHS will help to make sure that older people are looked after with real dignity?

The Prime Minister: One of the aims of the changes that we are making to the NHS must be better to link the national health service, social service provision, local authorities and how we look after the elderly. All of us have seen too many cases in hospital where people who should be in residential or nursing care or being looked after at home are stuck in a large district general hospital or in a community hospital, when they should be getting alternative pathways of care. That is what the whole change should be about. What I am finding as I go round the country listening to doctors, nurses and clinicians is that we must make sure we take the opportunity to get this absolutely right. That is what the reforms should be all about.

Bob Russell (Colchester) (LD): In last year's general election in Essex 49% of the votes cast went to the Conservatives, but 95% of the seats went to Conservative MPs. It was an outcome that would embarrass Robert Mugabe. Apart from the fact that Essex is now a Labour-free zone, does the Prime Minister think that that result was fair?

The Prime Minister: My hon. Friend tempts me into debate. In Colchester everyone had one vote, it was counted once and he won. I congratulate him. In other parts of Essex everyone had one vote, they were all counted once and many of my hon. Friends won. But for all that he brings to the House, what the Liberal Democrats lack in number, he makes up in stature as a Member of Parliament for Essex.

Speaker's Statement

12.31 pm

Mr Speaker: I have to inform the House that I have received the following letter from the Clerk of the House:

Dear Mr Speaker,

As you know I have decided to retire at the end of September when I will have completed forty four years of service to the House, over a decade of which has been at the Table.

It has been an immense privilege to serve what I unashamedly regard as a Parliament second to none. Over this long period—which began during the Speakership of Horace Maybray King—there have been great challenges and many changes. There have been crises that have rocked the institution. Throughout these times it has remained my firm belief that only by having confidence in itself, in its ability to adapt to the new while keeping to the tried and tested, can the House retain its pre-eminent position as the sovereign body at the centre of our national, democratic life. Unwarranted and unfounded criticism from whatever quarter should not deflect Members from their duties which will necessarily ruffle and disturb the peace of consensus.

I would like to put on record my great debt to members of the staff of the House, at all levels, who have given me unstinting support. They make up a loyal and very effective workforce. I would like to thank my colleagues on the Management Board and in my own office for their invaluable help without which many of the changes that have happened in recent times could not have been made effective.

Friendships with Members and colleagues in the scattered Commonwealth parliaments, which together form an important parliamentary community, have given me much pleasure. Here at home fellow Clerks have kept me on my procedural toes and I have enjoyed working, across party divides, with Members of the House, past and present and with Members and colleagues in the other place.

Finally Mr Speaker may I thank you and your Deputies, with whom I have worked closely, for your trust and for the camaraderie we have enjoyed together which has greatly lightened what can be serious and sometimes difficult moments.

Yours sincerely,

Malcolm Jack

Members will wish to know that I have put in place a competition for the appointment of the Clerk's successor.

There will be an opportunity to pay the traditional tribute to the Clerk at a later date. *[Applause.]* That spontaneous reaction demonstrates the respect and affection in which the Clerk of the House is held.

Points of Order

12.35 pm

Paul Flynn (Newport West) (Lab): On a point of order, Mr Speaker. As Many Members were inexplicably absent at 4.30 this morning, they will have missed an important debate that drew attention to a great weakness in our role: we are able to heap praise on certain individuals, but we are forbidden the privilege of everyone outside the House to be critical of those individuals. Can you suggest a way in which we can ensure that that rule, which demeans the office of MP, is changed and we can enjoy the freedom of everyone outside the House to be critical of anyone when necessary?

Mr Speaker: Criticism of the kind and in the direction that the hon. Gentleman has in mind can always be made on a substantive motion. That is the specific solution to the problem that he has just identified. More widely, if he is concerned, as I know he is, about the current Standing Orders and seeks their reform, it is open to him to seek support for such a proposition across the House. I must leave it there for today.

Derek Twigg (Halton) (Lab): On a point of order, Mr Speaker. I ask for your advice, please. The hon. Member for City of Chester (Stephen Mosley) has inadvertently misled the House today by suggesting that the bin collection service in Halton has been cut. As someone who is not the Member of Parliament for Parliament but who actually lives there, I must say that this was the first I knew about it. The service has not been cut. There is a pilot scheme, which has come about as a result of consultation in two wards, to look at alternative bin collections as a result of the demand for more recycling and more recycling receptacles. There has been no decision to cut the weekly bin collection service, so the hon. Gentleman is wrong.

Mr Speaker: I am grateful to the hon. Member for Halton (Derek Twigg). I know that he may find this difficult to accept, but this is a matter of debate, and he has put his point firmly on the record—probably not for the first time, and certainly not for the last.

If there are no further points of order, we come now to the ten-minute rule Bill, for which the hon. Member for Mid Bedfordshire (Nadine Dorries) has been patiently waiting.

Sex Education (Required Content)

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

12.37 pm

Nadine Dorries (Mid Bedfordshire) (Con): I beg to move,

That leave be given to bring in a Bill to require schools to provide certain additional sex education to girls aged between 13 and 16; to provide that such education must include information and advice on the benefits of abstinence from sexual activity; and for connected purposes.

I am sure that many Members will be aware of the broadcaster Dame Joan Bakewell. I always had the impression that she and I were on separate sides of the political divide, but I was intrigued a year ago to read something that she had written in the *Radio Times* and in the newspapers, in which she said that Mary Whitehouse, who campaigned against declining moral standards on television, was right to fear that sexual liberation in the 1960s would damage society.

Dame Joan was a long-time and fierce opponent of Mary Whitehouse, and that is why her piece was intriguing. She has now changed her mind in terms of her opposition, saying that the freedom granted by the introduction of the pill has been abused, resulting in the sexualisation of young girls and the prevalence of pornography. She said:

“The liberal mood back in the ’60s was that sex was pleasurable and wholesome and shouldn’t be seen as dirty and wicked. The Pill allowed women to make choices for themselves. Of course, that meant the risk of making the wrong choice. But we all hoped girls would grow to handle the new freedoms wisely. Then everything came to be about money—so now sex is about money, too. Why else sexualise the clothes of little girls, run TV channels full of naked wives, have sex magazines edging out the serious stuff?”

In fact, in some newsagents now there are more sex magazines available than any other kind of magazine.

Chris Bryant (Rhondda) (Lab): Well, stop going to those shops then.

Nadine Dorries: That is a typically glib comment from the hon. Gentleman, who just does not understand and will oppose this measure. Indeed, it will be interesting to see a man stand and oppose a Bill that is about empowering young girls.

Dame Joan said that our society is saturated in sex: a typical prime-time hour on TV contains 2.6 references to intercourse, 1.2 references to prostitution and rape, and 4.7 sexual innuendoes.

Let us move on to look at some of the examples that are now available. Primark, a store that is frequented by many young girls, including my own daughters, was recently chastised for selling padded bikinis for seven-year-olds. Without going into too much detail, I am sure that everybody in the House understands why women would buy padded bikinis, but to make them available to and target them at seven-year-old girls seems to epitomise how far the sexualisation of young girls has gone within our society.

On 5 March 2010, explicit videos were shown in schools which depicted to seven-year-olds a cartoon graphic of a couple having sexual intercourse. This resulted in some children being removed from schools

that showed those videos. It will not be a surprise to any mother, or parent, in the House that seven-year-old children do not want to see a cartoon of a couple having sexual intercourse. I have never yet met a mother who said, “I want my seven-year-old to see cartoons of couples having sexual intercourse”, so why on earth would schools think it appropriate to show such videos to seven-year-old children in the classroom? Some children were reported to be frightened, alarmed and disturbed by the videos.

In July 2009, a Sheffield NHS trust released into secondary schools—to children from the age of 11—a pamphlet which told them that sex every day keeps the doctor away. It also said that for too long experts have concentrated on the need for “safe sex” and loving relationships. Alongside this, there was a slogan saying that

“an orgasm a day keeps the doctor away”.

It also said:

“Health promotion experts advocate five portions of fruit and veg a day and 30 minutes’ physical activity three times a week. What about sex or masturbation twice a week?”

This is a pamphlet going out to 11-year-olds at secondary modern schools in Sheffield.

We have to ask ourselves whether, in the midst of this kind of society, with the over-sexualisation of children, we have got our sex education in schools right. It is often argued that compulsory sex education and effective teaching of “safe sex” will help to tackle a high pregnancy rate among teenagers and underage children. Sadly, the evidence suggests that this is not the case. The *British Medical Journal* found that 93% of teenagers who became pregnant had seen a medical professional prior to the pregnancy and 71% had discussed contraception. The journal found that

“teenagers who become pregnant have higher consultation rates than peers and most of the difference is owing to consultation on contraception”.

According to data published by the Office for National Statistics in 2007, Britain has the highest teenage pregnancy rate in western Europe, so we must be doing something wrong. That is why I am introducing this Bill.

I believe that the answer to ending our constant struggle with the incredibly high rate of teenage sexual activity and underage pregnancies lies in teaching our girls and boys about the option of abstinence—the ability to just say no as part of their compulsory sex education at school. I recently spoke to a 16-year-old who used these very disturbing words: “The thing is, if you reach the age of 18 and you’re still a virgin, and you meet somebody you’d like to be your boyfriend, he’s going to think you’re a freak.” It never enters the minds of young teenage girls, who are taught in sex education classes about “safe sex” and about making their decisions on whether to have sex based on how they feel that day or on their wishes—“feelings” and “wishes” are the key words—that they are empowered and have the ability to say no. That is not taught alongside information on making the decision based on their feelings and wishes and on “safe sex”, but it should be an equally viable option.

We have to re-examine thoroughly the content of sex education that is provided in schools, and consider whether what is currently offered is in the best interests of our children and society as a whole. Children learn

[Nadine Dorries]

about puberty and intercourse at the age of seven, and about pregnancy and contraception from the age of 11. Teaching a child of seven to apply a condom to a banana, without telling them that they do not have an obligation to go and do it, is almost like saying, "Now go and try this for yourself." At no stage of the curriculum does the teaching cover anything about relationships and the option to say no. Girls are taught to have safe sex, but not how to say no to a boyfriend who persists in wanting a sexual relationship. They are given no guidance on that whatsoever.

In a letter to the *Daily Mail*, a 14-year-old, Josie Parkinson, described the sex education that she had received at her local secondary school:

"As a 14 year-old girl, I have had to attend four talks in the past nine months from a woman from a family planning clinic. I have been taught three times how to put on a condom; how easily pupils can acquire condoms free at a clinic; how to recognise sexually transmitted diseases and have them treated confidentially at a clinic; and that we do not need to tell our parents, GP, the police or anyone else in authority about being provided with contraception, or even having an abortion. There was not one mention of abstaining or any discouragement of sex."

For a girl or boy to have sex before 16 is unlawful, but they are told in school, "It is unlawful, but it's okay. You can have the condoms anyway." They should be told, "It is unlawful. You can have the condoms anyway, but why don't you consider, because it is unlawful, saying no and waiting until it is lawful?" That just is not taught to girls at school.

One factor constantly ignored by society is that peer pressure is a key contributor to early sexualised activity among the children of our country. Society is focused on sex. Our sex education teaches children how to have sex, not how to say no to sex. We ignore at our peril the fact that many girls feel pressurised into having intercourse when they are far too young, when what they actually need is their childhood.

In our sex education programmes, we need to promote the notion of abstinence and all the advantages that it brings, such as self-respect and not making relationship mistakes. It needs to be seen as a safe alternative. We need to let young girls know that to say no to sex when they are under pressure is a cool thing to do; it is as cool as learning how to apply a condom. It is as important as all the other issues that they are taught in sex education. It has to be taught alongside everything else so that young girls can say, "I have been told to say no."

12.47 pm

Chris Bryant (Rhondda) (Lab): I note that the hon. Member for Mid Bedfordshire (Nadine Dorries) said that it would be a disgrace, or something like that, if I were to speak on this matter because I am a man. Of course, I am a gay man, so I am not exactly an expert on heterosexual sex or sex with girls. However, I say to her that this is the daftest piece of legislation that I have seen brought forward. I agree about many of the problems that she has highlighted, and I will come on to those, but this is not the way to solve any of those problems.

For a start, the Bill is just about girls. I said that I am not an expert, but it seems axiomatic to me that if we want to tackle teenage pregnancy, we have to talk to the boys and the girls. Secondly, the Bill is just about 13 to

16-year-olds. I did a lot of research on teenage pregnancy a few years ago, and one of the great distresses for a large number of girls was that they got to their first period without knowing what was happening to their body. I think that proper education in schools, which gives girls and boys an opportunity to seize hold of their lives and make good decisions for themselves, should start long before a girl's first period.

Thirdly, the hon. Lady talks about an abstinence programme. Of course, the single most important thing that we can give any child in their education, boy or girl, is the self-confidence to make good decisions for themselves and, when they have made bad decisions, to be able to stand up to the consequences. There are things that we need to do through housing allocation and the benefits system to address those issues. However, there is no evidence anywhere in the world that an abstinence programme of sex education works in delivering the outcomes that she wants.

Fourthly, the hon. Lady refers only to sex education; she just wants sex education. She refers to the number of youngsters who are told how to put a condom on a banana. I have never understood why putting a condom on a banana or a cucumber is of any use to anyone, but she is absolutely right in saying that if sex education is just about teaching people the mechanics of having sex, it is effectively an advert. Rather than the present legal situation where the only obligatory bit is sex education—in other words, the mechanics and teaching people about sexually transmitted infections—there should be proper sex and relationship education starting at an early enough age to make a real difference.

The level of teenage pregnancy in my constituency is probably higher than in the hon. Lady's, because the map of high teenage pregnancy figures is the map of poverty in this country. I feel absolutely passionately about trying to cut the number of teenage pregnancies. Indeed, I have done a great deal of work on trying to do that in my constituency. The hon. Lady rightly refers to the statistics showing that we have the highest rate in Europe. It is not just higher than anywhere else; it is five times higher than in Holland, three times higher than in France and twice what it is in Germany. Yet countries such as Holland, France and Germany have much better sex and relationship education in their schools that starts at a much younger age and is much more explicit. That is part of the difference.

There are many other elements to trying to rectify this situation, but one of the reasons why many Opposition Members think that teenage pregnancy is such an important issue is that it is not just wealth that is inherited in this country; all too often, poverty is inherited, in many cases because of teenage pregnancy. Lots of teenage mums are absolutely wonderful—they triumph against the odds—but many of the babies that are born to teenage mums are much smaller and have more health problems, and if they are girls, they are three times more likely to become teenage mums. We thus perpetuate the cycle of poverty, particularly in certain parts of the country. That is why I believe that we should have far better sex and relationship education in schools.

Incidentally, I am delighted that a Labour Government, through resolute work between the Department for Education and the Department of Health, managed to cut the figures significantly in this country. History shows that the time when the figures grew most dramatically

was under Mrs Thatcher. We have now seen the figures for 2009, and they show that we have reached a record low compared with 1980. I am not at all complacent about that, because there is a great deal more to do. My own ten-minute rule Bill is in a charabanc situation and as unlikely to become legislation as the hon. Lady's.

We need to address other associated problems. The number of children in care in this country is a shock and a disgrace, and it has risen dramatically to 65,000 in England. It has gone up from 3,000 to 5,000 in six years in Wales. It is difficult to find good care arrangements for many of those youngsters. Hospital admissions for self-harm, particularly among young girls, have risen by some 30% in Wales over the past few years.

Yes, we have achieved great things for young people in recent years. Drug use has decreased over the past decade—some 7% of youngsters between the ages of 16 and 24 have used a class A drug. Contrary to what hon. Members will read in the national newspapers, drinking among 15-year-olds has decreased quite dramatically. Ten years ago, 58% of boys said that they drank alcohol; the figure is now 36%. The figure for girls is down from 54% to 30%. *[Interruption.]* Government Members may ask what that has got to do with teenage pregnancy, but every time that I talk to young people about teenage pregnancy, they tell me what happens: everyone has a great idea and a strong set of moral principles at 6 o'clock in the evening, when they have not had a drink, but by the time that they are blotto at 11.30 at night, all those choices disappear out the window, and they start to take much more risky decisions. That is why tackling the consumption of alcohol by youngsters is just as important as every element of sex and relationship education.

Some of those figures relate specifically to girls, but many more young men commit suicide than young women. Although the number of suicides among young people has fallen by a third over the past few years, the single most important thing that we can give to any young person is a sense of their own worth. Of course, some of them are in families or schools where they do not feel valued, but to introduce legislation that applies only to girls and refers only to sex education, rather than to the broad experience that young people have to have fulfilled, is a complete mistake.

Better legislation would ensure that girls and boys had proper, thorough sex and relationship education in all schools, with no school allowed to opt out. Yes, if parents want to opt out, that is fine. Yes, they should be able to draw up the curriculum, but schools should not be able to opt out because, as Ofsted has pointed out, the provision of sex and relationship education is very patchy in England, and we are letting down far too many of our youngsters.

Many teachers are frightened of providing such education because it is not a formal part of the curriculum. Youngsters pick up that fear, and that informs some of the bad choices that they end up making. Yes, we should teach self-confidence and self-worth. Some work done by the Joseph Rowntree Foundation showing that many young girls choose to get pregnant almost as a vocation or are so careless about having sex that they end up pregnant is very distressing. They often have no self-worth, they are not valued at home, and they find the educational arrangements at school difficult; but the moment they get pregnant, suddenly everyone comes

round and provides them with support. Would it not be better if we gave them the support that they needed before they made that wrong decision for themselves?

In addition, we need to enhance out-of-school activities. I worry that many local authorities will cut youth services because of the situation with local authority grants. Youth services are often where young girls and boys have a positive role model for the first time in life that is not just an authority role model in school. That is why those services play such an important part in changing all this.

Finally, the only thing that I would add is that, sadly, many youngsters get only 10 minutes of sex education in their whole lives. They do not get proper sex and relationship education; they spend less time on it than we have had to debate the issue today.

Question put (Standing Order No. 23).

The House divided: Ayes 67, Noes 61.

Division No. 266]

[12.58 pm

AYES

Aldous, Peter	Lord, Jonathan
Amess, Mr David	Main, Mrs Anne
Bagshawe, Ms Louise	McCann, Mr Michael
Baldwin, Harriett	McCartney, Jason
Bebb, Guto	McCrea, Dr William
Bradley, Karen	McIntosh, Miss Anne
Brazier, Mr Julian	McPartland, Stephen
Bruce, Fiona	Metcalfe, Stephen
Byles, Dan	Morris, James
Cairns, Alun	Mosley, Stephen
Campbell, Mr Ronnie	Nuttall, Mr David
Cash, Mr William	Offord, Mr Matthew
Chope, Mr Christopher	Paisley, Ian
Collins, Damian	Parish, Neil
Crouch, Tracey	Patel, Priti
Davies, Philip	Pawsey, Mark
de Bois, Nick	Phillips, Stephen
Dorries, Nadine	Redwood, Mr John
Elphicke, Charlie	Rees-Mogg, Jacob
Eustice, George	Rosindell, Andrew
Evans, Jonathan	Scott, Mr Lee
Fuller, Richard	Shannon, Jim
Gale, Mr Roger	Smith, Henry
Gray, Mr James	Stevenson, John
Hancock, Matthew	Stewart, Bob
Heaton-Harris, Chris	Turner, Mr Andrew
Hemming, John	Walker, Mr Robin
Hinds, Damian	Walter, Mr Robert
Hollobone, Mr Philip	Weatherley, Mike
Jenkin, Mr Bernard	Whittaker, Craig
Johnson, Gareth	Williamson, Gavin
Jones, Mr Marcus	
Kwarteng, Kwasi	
Leadsom, Andrea	
Lefroy, Jeremy	
Lilley, Mr Peter	

Tellers for the Ayes:

**Mr Brian Binley and
Dr Thérèse Coffey**

NOES

Abbott, Ms Diane	Clwyd, Mr Ann
Abrahams, Debbie	Cooper, Rosie
Alexander, Heidi	Creasy, Stella
Bailey, Mr Adrian	Cryer, John
Barron, Mr Kevin	Cunningham, Mr Jim
Bayley, Hugh	Donohoe, Mr Brian H.
Begg, Dame Anne	Engel, Natascha
Bingham, Andrew	Farrelly, Paul
Chapman, Mrs Jenny	Flynn, Paul

Fovargue, Yvonne
 Freer, Mike
 Gapes, Mike
 Gardiner, Barry
 Gilbert, Stephen
 Green, Kate
 Hemming, John
 Hilling, Julie
 Horwood, Martin
 Huppert, Dr Julian
 James, Mrs Siân C.
 Lavery, Ian
 Mactaggart, Fiona
 McDonnell, John
 McGovern, Alison
 Mearns, Ian
 Miller, Andrew
 Morris, Grahame M.
 (*Easington*)
 Munt, Tessa
 Murray, Sheryll
 Newton, Sarah
 Offord, Mr Matthew
 Pearce, Teresa

Raynsford, rh Mr Nick
 Reid, Mr Alan
 Robinson, Mr Geoffrey
 Rogerson, Dan
 Rotheram, Steve
 Ruddock, rh Joan
 Russell, Bob
 Sanders, Mr Adrian
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Skinner, Mr Dennis
 Smith, rh Mr Andrew
 Smith, Sir Robert
 Stevenson, John
 Stringer, Graham
 Swales, Ian
 Turner, Karl
 Walley, Joan
 Watts, Mr Dave
 Winnick, Mr David

Tellers for the Noes:

**Kelvin Hopkins and
 Mr Andrew Love**

Question accordingly agreed to.

Ordered,

That Nadine Dorries, Thomas Docherty, Mr Julian Brazier, Dr Thérèse Coffey, Mr Edward Leigh, Fiona Bruce and Mark Pritchard present the Bill.

Nadine Dorries accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2012, and to be printed (Bill 185).

Finance (No. 3) Bill

(Clauses 4, 7, 10, 19, 35 and 72)

[Relevant document: The Eleventh Report from the Treasury Committee, Finance (No.3) Bill 2010-11, HC497.]

Further considered in Committee (Progress reported, 3 May)

[MR LINDSAY HOYLE *in the Chair*]

Clause 4

MAIN RATE FOR FINANCIAL YEAR 2011

Question (3 May) again proposed, That the clause stand part of the Bill.

1.9 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): It is a great pleasure to begin today's proceedings by winding up today's debate, or at least the first of our debates this afternoon, which was one of our debates this morning. It is on clause 4, which sets out the main corporation tax rate for the financial year beginning on 1 April 2011, reducing it to 26%. The measure introduces a further reduction of 1% for this financial year, in addition to the 1% cut that was legislated for last year. Further 1% reductions to the main rate will be made in each of the next three years, taking the rate to just 23% in 2014-15.

Those changes will lower the tax bill of around 45,000 companies that pay tax at the main rate, and of 40,000 companies that are taxed at the main rate but that benefit from the marginal relief. To explain that further, the changes will affect incorporated businesses that have profits of between £300,000 and £1.5 million that pay corporation tax at the main rate reduced by marginal relief, and those that have profits of more than £1.5 million that pay corporation tax at the main rate in full. As I said, clause 4 sets the rate at 26%—the adjustment to the marginal relief fraction is made in clause 6.

Clearly, a thriving private sector must be at the heart of our plan for growth. As we reduce spending, as we must if the UK is to live within its means, only the private sector can spearhead the recovery. We must therefore show that the UK has an attractive tax system and is open for business. This Government are taking action to show the international business community just that. The UK is the right place to do business, and our tax system is one reason why. Our priority is securing strong, sustainable and balanced growth, and clause 4 will help to see to that by supporting investment and by incentivising activity across the economy.

Mr David Hanson (Delyn) (Lab): I realise that we debated this much earlier this morning, but much of our discussion was on the outcomes of this process. The Opposition do not object to the purpose of the corporation tax cut, but I would welcome clarity from the Minister. How many jobs does he believe will be saved because companies do not move abroad because of the cut, how many new jobs will the cut attract by bringing new investment into the country, and what growth does he

expect to result from the investment that we are taking away? As was said last night, we are forgoing a considerable sum of corporation tax income, and I should like clarity on what the Minister believes will be the solid outcomes of that.

Mr Gauke: First, I warmly welcome what the right hon. Gentleman says about supporting the reduction in the corporation tax rate. In seeking to persuade investors to invest in the UK, it is important that we have a strong, solid, cross-party consensus that the UK should have competitive, low rates of corporation tax. To the extent that the official Opposition take a clear, supportive view of what the Government are trying to do, that is helpful to our ambitions, and I welcome it. I am keen to ensure that they maintain that position.

The right hon. Gentleman asked about the specific impacts and outcomes of the measure. If he will be patient and let me first set out why I think the steps that the Government have taken on corporation tax are helpful, I will say as much as I can about the likely outcomes later. I should also thank him for quoting at considerable length one of my speeches on this subject. I am tempted to refer him to his own speech when he quoted my speech, but that would be a little circular.

Mr Edward Timpson (Crewe and Nantwich) (Con): On anticipating the outcomes of reducing corporation tax, does my hon. Friend recall that one key aspect of the Federation of Small Businesses general election manifesto was a reduction in corporation tax and the benefits that that would have to small businesses around the country?

Mr Gauke: I am grateful to my hon. Friend, because he brings me to the subject of the small profits rate of corporation tax. That is not specifically addressed by the clause, but the previous Government intended to increase the small companies rate, as it used to be called, from 21% to 22%. In the previous Budget, this Government announced that we would not increase it to 22%, but reduce it to 20%. That policy, along with our policy on employers' national insurance contributions, was warmly welcomed by the FSB. That demonstrates the Government's commitment, at a difficult time for the public finances, to ensuring that we have the strong, private sector growth that the economy so badly needs.

1.15 pm

Let me briefly set out why reducing corporation tax rates is important. A competitive rate helps to sell the UK as a place to do business, and encourages businesses to invest and thrive here, which is vital if our economy is to grow. My right hon. Friend the Chancellor has had to take some difficult decisions since the election, and clearly, because of the size of the deficit we inherited, we cannot rely on unsustainable public sector spending to carry the economy. We need to rebalance the economy and to remember the value of enterprise. Growth in the public sector feeds the deficit, but growth in the private sector feeds the recovery that the country needs.

Budget 2011 delivers a fiscally neutral package of measures, and the Government remain on course to deliver our fiscal consolidation plans. The costs of policy decisions announced in the Budget are broadly offset in each year by measures that raise revenue, but

within that fiscally neutral envelope, Budget 2011 includes action to support private sector recovery and to improve the long-term sustainability of the public finances.

The Government published our plan for growth, which is the first phase of the growth review, which involves action across the economy. The further 1% reduction in the main corporation tax rate will help us to achieve the ambition of growing the private sector, regaining even more of the competitive advantage that we have lost in recent years.

However, that is only one part of the Government's strategy to remove barriers to growth. In his speech much earlier today, the right hon. Member for Delyn (Mr Hanson) argued that corporation tax rates are not everything, and he is right, but the Government have set out in our plan for growth policies that aim to put the UK on the path to sustainable, long-term economic growth. It is worth quoting John Cridland, the director-general of the CBI, who said:

"This Budget will help businesses grow and create jobs. The Chancellor has made clear the UK is open for business...The extra 1p cut in corporation tax will help firms increase investment."

Mr Andrew Love (Edmonton) (Lab/Co-op): When the Office for Budget Responsibility was informed late of the additional 1% reduction in corporation tax, it commented that the impact on growth would be minimal. How does the Minister explain that in the context of the claims he is making for that reduction?

Mr Gauke: Let me turn to the impact of this measure. When the OBR analysed the corporation tax package that was announced in 2010, it made it clear that that would help with the cost of new capital investment in the UK. It expected that the recovery would be supported by business investment, and the reductions in corporation tax underpinned its forecast for strong business investment growth over the next five years. In June, the OBR increased its estimate for expected investment and gross domestic product in response to the corporation tax package. Its analysis was that the resulting 3% reduction in the cost of capital would

"promote a higher level of business investment...than would otherwise have been the case."

In total, that resulted in a forecast of an additional £13 billion of business investment by 2016.

The right hon. Member for Delyn asked about particular businesses and sectors. However, the best way to run an economy is not the Government dictating from the centre. Running an economy is about providing a competitive environment in which businesses from all sectors can grow. Making sectoral forecasts tends to be difficult, and there are severe accuracy questions.

Mr Hanson: I am trying to be helpful and to seek clarity on what the Exchequer Secretary would regard as success, given the investment he is making through not collecting the previous level of corporation tax. In our discussions on the National Insurance Contributions Act 2011 before Christmas, an amendment was tabled to ensure an opt-out in certain parts of the United Kingdom. An assessment was made of the number of jobs that would be created by the measure. I am asking whether he has made a similar assessment with his officials of the potential of this measure to have an impact on growth and jobs in our economy.

Mr Gauke: As I said, the OBR considered the package in the June 2010 Budget and incorporated the changes along with other announcements. From that it anticipated an increase in business investment, and clearly there was a link between the corporation tax package and that increase in investment. We believe that by reducing the cost of capital, we will increase business investment above the levels that would otherwise have been the case.

I was struck by the right hon. Gentleman's speech this morning in which he took considerable time to outline more than once the unemployment numbers in various regions of the UK. I was struck by the contrast between the argument he appeared to be making this morning, which was that the corporation tax cut needs to be targeted at regions with higher unemployment, and the argument he made during our considerable debate on the National Insurance Contributions Act, which was that it was wrong for us to target the national insurance contributions holiday at regions where the public sector was strong and unemployment high. I am not sure there was much consistency there, but there was great ingenuity in his speech earlier today.

Jim Shannon (Strangford) (DUP): Obviously any advantage to industry is to be welcomed. I understand that figures released show that only 4 million people are employed in the manufacturing sector. Has the Exchequer Secretary discussed how the corporation tax changes will benefit that sector? Is the cut acceptable to the sector? Does it feel that it will achieve the recovery in that important sector? The Government have recognised it as an important growth industry, so I would be interested to hear his response.

Mr Gauke: I suspect that we will debate manufacturing at greater length in the next group of amendments. However, manufacturing will benefit from the package as a whole, including the changes to capital allowances. It will benefit considerably. Indeed, it is one of the sectors that pays a great deal in corporation tax. We also believe that the changes will benefit all regions. It is perfectly right for the right hon. Member for Delyn to highlight the different requirements in different regions, and as the hon. Member for Strangford (Jim Shannon) will know, the Government are exploring the case for greater flexibility for corporation tax in Northern Ireland. We continue to explore that matter.

On the subject of jobs, the OBR, in its 2011 Budget publication, forecast that 2010-15 total employment would increase by about 900,000. That will not all flow directly from the corporation tax cut, but that reduction will play a part in it. We also have to recognise that most of the recent academic analysis—certainly a recent report published by the OECD—makes the case that taxes on corporation income are the most growth-inhibiting ways of raising revenue. They are inefficient, so it is right that we seek to have a lower rate of corporation tax to help the economy.

Mr Love: May I press the Exchequer Secretary on the benefits for growth and potential employment arising from these measures? According to the Red Book, the corporation tax decrease in the Budget will cost £1 billion by 2015. That is on top of £4 billion from the previous Budget. However, the changes in allowances and other

aspects of the corporation tax bring in only £2.7 billion. That leaves a significant gap. The Opposition would not be doing their duty properly if they did not ask what benefits will be delivered by that significant cut in corporation tax.

Mr Gauke: I am grateful to the hon. Gentleman for acknowledging that it is a significant gap. It is a considerable tax cut for businesses in order to get them to grow. Reducing corporation tax will reduce the revenue we take from an inefficient tax, thereby increasing the rate of return on investment and resulting in greater business investment, greater productivity, higher wages and salaries and more jobs. It is important that we have a dynamic private sector, and that is exactly what we are about.

We have to be internationally competitive. Our tax system is not as competitive as it once was. Over the past decade, our competitors have seized the opportunity to cut their corporation tax rates faster than we have. In 1997, the UK had the 10th-lowest main rate of corporation tax among the 27 EU countries, but by 2010 we were 20th. As a result of the reforms announced in the Budget by my right hon. Friend the Chancellor, the UK will have the fifth-lowest corporation tax rate in the G20, and by the end of this Parliament, it will be the lowest of any major western economy and the lowest rate this country has ever known. By taking our corporate tax rate right down to 23%, we are going further in restoring Britain's international competitiveness with a corporation tax rate 16 percentage points lower than America's, 11 percentage points lower than France's and seven percentage points lower than Germany's. It will be the lowest corporation tax rate in the G7. We are pleased that we have been able to make progress in this area.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I am sorry to have missed the many speeches yesterday by the Exchequer Secretary and in particular my right hon. Friend the Member for Delyn (Mr Hanson). I missed them because I was campaigning in west Worcestershire with 50 young people protesting against the decision of Worcestershire country council to withdraw funding from Rubery youth centre, which has played a key role in lowering antisocial behaviour in the area. Have the Exchequer Secretary or his Treasury colleagues considered the impact of the corporation tax cut on the funding of crucial public services, such as youth services?

Mr Gauke: I am a little disappointed that an Opposition Front Bencher should be so negative about the reduction in corporation tax, given that his colleagues seem to be more enthusiastic.

Mr Thomas: That is not answering the question.

Mr Gauke: Let me make this point. The hon. Gentleman talked about being in west Worcestershire. I was there two weeks ago for a meeting with local businesses. I met manufacturers who had full order books and were expanding, investing, welcoming the opportunity to expand their businesses and recognising that the Government were putting in place the conditions for strong private sector growth. It is through such growth that we can have sustainable public finances and we can afford to have the public services that we would all like. However, it is no good spending money that we do not

have. The move towards a lower rate of corporation tax will enable us to have stronger, sustainable public finances and a dynamic private sector. It supports the Government's ambition to achieve the most competitive tax system in the G20, and I therefore commend clause 4 to the Committee.

Question put and agreed to.

Clause 4 accordingly ordered to stand part of the Bill.

Clause 10

PLANT AND MACHINERY WRITING-DOWN ALLOWANCES

Mr Hanson: I beg to move amendment 6, page 6, line 22, at end add—

‘(14) The Chancellor shall publish, by 31 October 2012, an assessment of the impact of the changes to capital allowances on the UK economy.’

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss clause stand part.

Mr Hanson: You have caught me slightly off guard, Mr Hoyle. I was expecting my hon. Friend the Member for Hayes and Harlington (John McDonnell) to participate in the previous debate, but I shall plough on as ever. It is good to see you back in the Chair. I hope that you had a refreshing evening's sleep after we had considered earlier matters.

1.30 pm

Clause 4, which we have just agreed without a Division, and clause 10 are inextricably linked. I hope that there will be another opportunity to discuss and probe with the Minister the impact of the proposals in clause 10, as they relate to the proposals in clause 4 that we have just approved. The effect of clause 10 is to reduce the rates of writing-down allowances for new and unrelieved expenditure from the relevant dates, which are 1 April 2012 for corporation tax and 6 April 2012 for income tax. As the Minister will know, the main rate will be reduced from 20% to 18% and, for special rate expenditure, from 10% to 8%. Special rate expenditure includes expenditure on long-life assets, thermal insulation and integral features, as well as expenditure incurred on or after 1 April 2009, with cars with CO₂ emissions of more than 160 grams per km due for consideration under the clause. For chargeable periods that straddle the relevant date, the rate of the writing-down allowance is a hybrid of the rates before and after the change. The purpose of the amendment is not necessarily to oppose clause 10, but simply to ask the Government for a review on the impact of the abolition of capital allowances for smaller businesses and businesses that are more likely to invest, such as manufacturers generally.

Andrew Gwynne (Denton and Reddish) (Lab): My right hon. Friend is making an important point that is indeed linked with the previous clause. Clause 4 deals with the corporation tax cut, which is one side of the coin, but the other side is obviously investment. Constituencies such as mine are still heavily dependent on manufacturing industries—indeed, almost disproportionately so. Although local businesses that have spoken to me about the Budget measures have welcomed the corporation

tax cut, they are incredibly concerned about the changes to capital allowances, which they think will serve as a disincentive for them to invest in the long term.

Mr Hanson: My hon. Friend makes some valid points. I know that he defends his constituency and the whole of the north-west region strongly when it comes to the importance of manufacturing industries. One issue that I want to explore with the Minister is the very question of whether the capital allowance reductions proposed in clause 10—as well as other in clauses, which we will consider in due course upstairs in Committee—will have an impact on the job creation and investment proposals that we are considering today. Unemployment in my hon. Friend's region in the north-west will be very high, at around 9%, which again indicates the importance of generating and regenerating manufacturing industries in those areas.

Capital allowances allow businesses to write off the cost of certain capital assets, including plant and machinery, to arrive at their business profits. Capital allowances take the place of commercial depreciation, which is not allowed for tax. There are certain first-year capital allowances that allow 100% of a business's expenditure on specific, environmentally-beneficial plant or machinery to be written off in the year that the expenditure is incurred. There is also the annual investment allowance, which allows businesses to write off the whole of their expenditure on most plant and machinery, up to a limit in the year in which it is incurred. Expenditure on plant and machinery not covered by the allowances also attracts writing-down allowances, at either the main rate or a special rate.

The changes in clause 10 are part of the package of corporate tax reforms announced in the Government's 2010 Budget, as the Minister will undoubtedly explain later. The amendment calls for a review of the impact of the Government's abolition of capital allowances for smaller businesses in 15 to 16 months—that is, October next year—when these allowances will have been operational and we can see what the growth potential in the economy has been over that period thanks to the corporation tax measures in the Budget, as well as the impact of stringent public spending cuts and rising unemployment across the UK.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): In the debate yesterday evening and earlier today, there were many references from Opposition Members to the concerns raised by the British Chambers of Commerce and the Federation of Small Businesses, and my right hon. Friend has referred to the CBI. Can he say whether those organisations support the review that is being requested, and whether he has had a chance to discuss the Government's plans with them?

Mr Hanson: I want to refer to a number of comments that have been made in this debate. Perhaps I could start by being helpful to my hon. Friend and referring him to what Lord Northbrook said. Lord Northbrook does not take the Labour Whip in another place or even the Liberal Whip; he takes the Conservative Whip. He considered a range of issues on Second Reading in another place, and said of this proposal:

“How does the reduction in capital allowances square with the Government's wishes to encourage a more manufacturing-based economy?”—[*Official Report, House of Lords*, 26 July 2010; Vol. 720, c. 1172.]

[Mr Hanson]

That is a tempered criticism, but it raises the very question that I wish to raise with the Minister. On the one hand, to help growth we have corporation tax cuts—which the Committee has just supported, although we want to see an estimate of the outcomes—but on the other hand, we have massive reductions in capital allowances, which are specifically designed to encourage businesses to invest in plant and machinery, and environmentally efficient equipment, all of which will help to build jobs and growth for the future. However, I will return to my hon. Friend's point in due course.

The key reason to consider the matter in depth is that, as the Office for Budget Responsibility—the Government's own creation—has said, even after this year's Budget, which the Chancellor has dubbed a "Budget for growth", growth will be lower this year and next year than it was predicted to be around this time last year, when my right hon. Friend the Member for Edinburgh South West (Mr Darling) was Chancellor of the Exchequer. Slower growth and rising unemployment will make it harder to make the deficit fall. It is therefore even more important that we encourage as much growth, manufacturing and manufacturing investment as we can, to help counterbalance the massive effects of large spending cuts, which will put many people out of work and have a knock-on effect in the private sector.

Even after the measures in the Budget are taken into account, the OBR has said that growth will be much lower this year and next. In 2011, growth is now forecast to be just 1.7%, compared with a forecast of around 2.6% a year ago. The estimated rate of unemployment has been revised upwards to 8.2%, from 8%. Despite all the discussions and the measures that we have seen so far, there is still fragility out there. We are not sure how the economy will perform in the next 12 months, nor are we sure whether it will retain its strength and grow, or whether manufacturing investment in particular will grow. We are taking a potential risk by balancing the growth in corporation tax, which the Minister believes will occur because of the cuts that have been proposed, against the cut—admittedly of 2%, but still a cut—in capital allowances proposed by clause 10.

The amendment simply says that at some point in the future—October 2012—we should have a break point, when we review what has happened since the allowances came into effect, which will be next year, against the corporation tax cuts, which come into effect now, and the other issues in the economy, which, although they are not before the Committee, are still relevant to this debate. As I did last night, I wish to refer to the fact that unemployment is still high across the United Kingdom. We need to grow the economy and grow manufacturing jobs, yet the cut in clause 10 may well impact on our current fragile growth. As I mentioned last night, unemployment in the UK is highest in the north-east, at 10.2%. I notice that my hon. Friend the Member for Hayes and Harlington is here, as well as my hon. Friend the Member for Poplar and—

Jim Fitzpatrick: Limehouse.

Mr Hanson: I still think of my hon. Friend as the Member for Canning Town; it is a habit that is hard to break. Just as I was about to say "Canning Town", I realised that I was wrong, which is why I paused for a

moment. In London—including the constituency of my hon. Friend the Member for West Ham (Lyn Brown)—the unemployment rate is 9.4%. London is a centre of prosperity, and it has growth in many parts, but if we are to encourage manufacturing industry in London to soak up those unemployed people and get them back into jobs and spending, it will be necessary to have an assessment of whether, downstream, the capital allowance cuts have been good or bad for unemployment rates.

The unemployment rate in the west midlands is 9.9%. In Yorkshire and the Humber, it is 9.3%. In my own region, Wales, it is 8.7%, and in Scotland it is 8.1%. Those are high levels of unemployment, and I want the Government to make an assessment of whether the capital allowance cuts will particularly hurt manufacturing industry in the north, the north-west, Yorkshire and the Humber and in the north-east, where my hon. Friend the Member for Tynemouth (Mr Campbell) has his constituency, more than it might do in the south, the south-east and the south-west, where the unemployment level is only 6%. That level is still high—it is 100% for those people who are unemployed—but it is still only 6%, compared with the higher levels at the heart of challenging constituencies in London and in the north and north-east.

Jim Fitzpatrick: When I won the seat of Poplar and Canning Town in 1997, the level of unemployment there was almost 17%. When Labour left office last year, it was down to about 9%. That was still between two and three times the national average, but it was a lot less than it was when we won the election in 1997 because of the efforts that the Labour Government put into attacking unemployment as the scourge of our economy. My right hon. Friend is making a strong argument that unemployment is not now going to be attacked as aggressively as we would hope, because of the economic policies of the coalition Government. I would like him to continue in this vein and to outline how we think it ought to be attacked, because it is the scourge of our economy.

Mr Hanson: I am grateful to my hon. Friend for making that valid point. I know that he is committed to bringing jobs and investment to his part of east London, as indeed my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) is to the north-west and elsewhere.

I am not saying that we will not approve the cuts in capital allowances in due course. I am simply asking the Minister to monitor their impact, and if they are becoming detrimental, given the corporation tax cut to which they are inextricably linked, we shall need to look at how the process will continue.

Andrew Gwynne: My right hon. Friend is right to say that we shall need a regular assessment, because the regional economies do not stand alone. The decisions taken in one region might have an impact on another. An example is Mono Pumps, a manufacturing company in the Tameside area, part of which my constituency covers. It was one of just 50 schemes announced in the regional growth fund, and it is to relocate to a new facility on the Ashton Moss regional employment site in my constituency. That move is now being jeopardised because of supply chain issues with a manufacturing

company based in Gloucestershire and south Wales. We need to ensure that manufacturing as a whole is supported across the United Kingdom, and only the kind of assessment that we are proposing will ensure that such regional disparities are properly looked into.

1.45 pm

Mr Hanson: My hon. Friend makes my case for me very powerfully. I am simply saying to the Committee that these are important changes. We have approved the corporation tax cut, but we are still sceptical about whether the capital allowance cut will be a successful policy, rather than simply an addition to the public spending cuts that the Government are making across the board, which will have a knock-on effect on the private sector just as much as on public sector jobs.

Mike Freer (Finchley and Golders Green) (Con): Just a quick question: if the higher corporation tax and the capital allowances were so valuable, why did manufacturing jobs shrink under the previous Government?

Mr Hanson: The hon. Gentleman will know that there are many challenges across the board, and manufacturing is always going to be a changing, moving field. In my area of north Wales, for example, manufacturing grew quite dramatically. In my constituency, we make the Airbus aeroplanes, which you will know very well from your constituency in Bristol, Ms Primarolo. That has been a major growth industry, in partnership with Government investment, Government backing for investment and Government loans and grants to help to grow the private sector and create jobs. The people who have those jobs then spend their wages in the local economy, creating further jobs in shops and in other manufacturing areas across the board. It is therefore an ever-changing field.

I have tried to make it clear to the Minister that we support the general direction of travel on cutting corporation tax, because we do not want the UK to be uncompetitive with our neighbours. In our discussion on clause 4, I was simply seeking an assessment of how the Minister will measure the success of the provision, because we will be forgoing a considerable amount of resource and we will need to measure a success that we do not yet know. The proposal on capital allowances goes hand in hand with the proposal on corporation tax. We will be paying for that cut in part with a major slashing of investment allowances by £2.6 billion under these proposals. Again, I am simply asking for an ongoing assessment of the impact of the measure, because it might work and it might not. I fear that cutting the allowances will lead to a lack of investment, a lack of growth and a further reduction in the manufacturing industry that the hon. Member for Finchley and Golders Green (Mike Freer) is seeking to protect and develop. I want to test the Minister on these issues so that he can justify to the Committee why he is making these cuts.

Nigel Mills (Amber Valley) (Con): The right hon. Gentleman is making an interesting case. Would he care to comment on whether any work was done by the previous Government when the capital allowance rate was reduced from 25% to 20% to determine whether that cut had the kind of damaging consequences that he now envisages with the cut to 18%?

Mr Hanson: To be honest, I do not know. I was not a Treasury Minister in the last Labour Government. I spent my time in Northern Ireland, in prisons, in probation and in the Home Office—[*Interruption.*] Perhaps that is not an area into which we should progress this afternoon, however. In the spirit of cross-party discussion of these matters, I acknowledge that the hon. Member for Amber Valley (Nigel Mills) has made a valid point, but, whatever the previous Government did or did not do, the economy was stronger than it is now when those cuts were made to the capital allowances. We can debate the reasons for that for a long time, and we can disagree or agree on the issues, but we now have growing levels of unemployment, slowing growth and public spending cuts that have not yet hit the public and private sectors. There are estimates that up to 500,000 people in the public sector will lose their jobs, which will have a knock-on effect on the private sector. We are seeing the squeezing of the middle in relation to child benefit and working families tax credits, and poverty and wage freezes are hitting hard.

All those factors are going to hit the economy hard in the next 18 months to two years. The Minister is proposing to cut the capital allowances from April next year, and all we are asking in this modest amendment is that the Government review where we are in October 2012, given the tortuous procedures that we are going to go through in the next 18 months as the squeeze has its effect. The Minister will undoubtedly accept that that is going to happen, because it is part of the Government's policy to make it happen, and we are keen to ensure that, at the end of that period, we do not lose valuable manufacturing capacity and jobs.

Mr Love: Is not the key point here the Minister's inability to give us hard figures on the improvement in growth and employment? Our request, through the amendment, is that we look carefully at that, because the Government are making major claims about growth in the economy as a result of these measures, as well as rebalancing the economy away from financial services towards manufacturing. Surely the amendment will give us the opportunity to test those claims.

Mr Hanson: Indeed. We are dealing specifically with clause 10, but it overlaps, as will be discussed further, with clauses 11 and 12. Manufacturing is a key part of our economy, but it needs support in order to fuel future jobs growth. The Government thus need to explain today and later in Committee upstairs why they are cutting investment allowances for manufacturers by about £75,000 and using that money to give a corporation tax cut that will go predominantly not to manufacturing, but to financial services industries.

I have made a claim, and I am happy for the Minister to challenge it and to explain why the corporation tax cut we considered and agreed in clause 4 will be skewed towards the financial services industries which are not creating manufacturing jobs. I originally hoped to have clauses 4 and 10 considered in tandem as they are inextricably linked. The key issue is that the corporation tax cut is going predominantly to a certain sector, while the manufacturing capital allowance cut will predominantly hit manufacturing industry. We need to reflect on that.

I will refer briefly back to clause 4, but it is relevant, Ms Primarolo. The Chancellor's "Budget for growth", which he trumpeted in March, included an additional

[Mr Hanson]

1% corporation tax cut at the final moment. We know that, because the Office for Budget Responsibility said in paragraph B13 of the Budget 2011 policy costings:

“The OBR was notified of the change to corporation tax and the 1p cut in fuel duty from 1 April 2011 too late to incorporate any indirect effect of these measures in the economy forecast.”

If so, the capital allowances under clause 10 will come into effect with that reduction next year, but there is no assessment of whether the additional corporation tax cut, along with the fuel duty rise and other issues I have mentioned, will impact positively or negatively next year. Given the lack of thought and consultation on those issues, we need to reflect on them at an early stage, which is what the amendment says.

John McDonnell (Hayes and Harlington) (Lab): There is anxiety about the lack of assessment; it was undertaken so perfunctorily by the OBR because it was a last-minute decision by the Chancellor. Will my right hon. Friend comment on the grounds for that decision’s being taken in such a last-minute manner? Was it a political stunt? Was there a rationale for it? How does he understand not just the decision itself, but the fact that it happened literally in the final 24 hours—at the last minute—before the Budget?

Mr Hanson: I could speculate on those points for my hon. Friend, but the Minister might be in a better position to comment on them. I will give my hon. Friend one thought, however. Perhaps the Chancellor realised that unemployment is rising because of the squeeze on public spending over the year; that growth is slowing because people feel uncertain in their jobs and businesses are not willing to invest; and that the level, depth and speed of public spending cuts over the next two years will lead to growing unemployment—not just in the public sector, but in the private sector, as people in private businesses depend on public investment. For those reasons, I suggest, the Chancellor has had to make additional changes to do what I believe is the right thing: to try to stimulate private sector growth.

If last-minute thought has been given to the impact of corporation tax changes and if full assessments have not been made of the impact of VAT on public spending cuts, we need to be aware that capital allowance reductions are coming into effect in April next year. The amendment simply says:

“The Chancellor shall publish, by 31 October 2012, an assessment of the impact of the changes to capital allowances on the UK economy.”

I find it difficult to think of anybody who would object to that. I am sure that the Treasury would make such an assessment as a matter of course in any case. Any good business—and the Treasury is a good business—would look at its outputs, outcomes and impacts and reflect on how they will affect the customer base, which in this case is manufacturing industry.

I have real concerns about the decision to reduce the rate of writing-down allowances for new and unrelieved expenditure, as I believe it could impact adversely on smaller businesses and on businesses that are more likely to invest, such as manufacturers. I say this because the Government regularly claim that small businesses are the key to future growth in the economy. Who

depends on a capital allowance more—a very large or a smaller business? The argument I put to the Minister is that small businesses would be more affected.

Nobody disagrees with the fact that the UK should have a competitive tax regime, and the corporation tax cut should help with that in principle. The Government are paying for it by the measures in clauses 10, 11 and 12—slashing investment allowances by £2.6 billion. The package will penalise companies that invest, particularly manufacturing companies, in order to offer tax cuts that will disproportionately benefit the banks and the financial sector. At a time when the Government claim they are rebalancing the economy by trying to encourage manufacturing, this package could—I say could—do the reverse.

The Institute for Fiscal Studies has said:

“The largest beneficiaries from the package of measures”—including corporation tax and capital allowances—

“will be high-profit, low investment firms”,

such as financial services, while the cuts to allowances under clauses 10, 11 and 12 will

“have the largest impact on those firms with capital-intensive operations”,

such as manufacturers. That is a direct quote—from page 229, for the Minister’s reference—from the IFS Green Budget 2011. The IFS also agrees:

“The losers would be firms that invested heavily but made little profit—notably in the manufacturing and transport sectors but also some capital-intensive service-sector firms. The winners will be less capital-intensive but more profitable firms, historically typified by the financial sector.”

I do not know whether it will pan out like that in real life, but my point is that if it does, clauses 4 and 10 together will mean giving a corporation tax cut that benefits the financial services sector most and a capital allowance cut that damages the private sector of small and medium-sized manufacturing industries most. That cannot be a good recipe for growth in the economy.

Andrew Gwynne: One of my concerns is that as we try desperately to rebalance the economy, we need to invest in some of the new high-tech and emerging industries, particularly in the renewable energy sector, which is incredibly capital-investment intensive. Does my right hon. Friend worry, like me, that these changes could put off growth in that emerging technology?

Mr Hanson: My hon. Friend makes a valid point, as it is exactly those companies that require capital investment support. The move will penalise companies that invest in manufacturing—for example, the car industry, advanced manufacturing, wind turbine manufacturing, and research and development across the board. These big manufacturing concerns are going to create the jobs of the future as well as protect current manufacturing jobs at a time when consumer demand might well be fragile because of high levels of unemployment, high levels of public spending cuts and general concerns about the squeeze on the economy and on people’s living standards and incomes generally.

PricewaterhouseCoopers has said:

“Many clients will balance the modest reduction in the capital allowances rates with the staggered reduction of the rate of Corporation Tax... Whilst the declining rates of capital allowances,

in isolation, do not produce any winners, some businesses will benefit when the CT rate change is also taken into consideration. Capital intensive businesses”—

this is the key point—

“are likely to feel the reductions more, since they will have larger capital allowances pools.”

Deloitte has said:

“For some businesses the reduction in writing-down allowances for plant and machinery will be offset by the reduction in the main rate of corporation tax from April 2012.”

We accept that.

“However”—

and this is the key point—

“capital intensive companies... may not benefit to the same extent.”

2 pm

In its response to the Treasury Committee in the tax experts' report on the Bill, the Chartered Institute of Taxation reported:

“The various changes to capital allowances do not score well under coherence”—

its key test.

“The changes to short life assets seem to be an attempt to solve problems created by the reduction in writing down allowance rates at a cost of increasing administrative burdens. It would be better to have a proper long-term commitment to capital allowance rates. Reducing capital allowances to 'pay' for corporation tax rate cuts penalise unincorporated businesses and make the business tax system look as if it is lacking coherence.”

I am not arguing that we should not undertake those capital allowance cuts. There may or may not be such an argument to be made, but what worries me is the overall impact of those cuts when married to the corporation tax cut. I am simply asking the Government to make a continuous assessment. I am asking them to publish an assessment six months after the implementation of the capital allowance cuts in April next year and, during the run-up to their implementation, to monitor the economy as it is now, so that we can establish whether they are on the right track.

In a report published yesterday, the Association of Chartered Certified Accountants said that

“it should be borne in mind that for large businesses with significant investment in plant and equipment, any changes to the tax cost of those assets will impact on long-term investment plans.”

I do not know whether that statement will prove to be right or wrong. I am simply saying to the Minister that he should reflect carefully, monitor the situation, and report back to the House. In October 2012, we will have experienced six months of the capital allowance regime and 18 months of the corporation tax cuts. We need to ensure that we are indeed on the right track, and that growth has not been hampered by the Government's measures.

I should like to know what consultation took place and with which business organisations. I suspect that the consultation was not as thorough as it might have been. Will the Minister tell me with whom he discussed the proposals, when he discussed them, what the responses have been, and what he considers to have been the response across the board from capital-intensive businesses since the announcement in the Budget? When we deal with clauses 11 and 12, I shall want to know whether there was any adverse reaction to them.

I suggest to the Minister that there should be an assessment of the long-term position. I hope he will accept that the amendment is designed not to torpedo his proposals, but simply to express our concern about certain aspects of the configuration between the corporation tax cut proposed in clause 4 and the capital allowance cut under clause 10 and the clauses that we will consider later. I ask him to place a flag in the sand signifying that after a period the Government will review the impact of those cuts to establish whether the fears expressed by people including my hon. Friends and me are materialising. We hope that they will not materialise, but if they do, we shall need to consider how to change track in due course.

Nigel Mills: It is with a small amount of pleasure that I rise to speak about tax issues, having spent 13 years advising companies on them, mostly under a Labour Government. It was kind of the right hon. Member for Delyn (Mr Hanson) to mention my two former employers and the various comments that they have made, which I happily endorse.

I want to comment on the request for a review of the proposed reduction in capital allowances partly because I think that we are in a strange position overall. The purpose of capital allowances is to give businesses tax relief on their capital investment in order to encourage them to invest in plant and machinery. We used to try to encourage them to invest in industrial buildings and factories, but we have stopped doing that now.

The attraction of the capital allowance system used to be the ability to incentivise people by accelerating tax relief. Forty years ago someone who invested in a piece of equipment with a 10 or 15-year useful life could accelerate the tax relief on it quite far in advance of the overall spread of its useful life, but I am not sure that that is where we are now. How many businesses in our constituencies will invest in equipment when they are not certain that its useful life will be even 10 years? If they expect it to be five or six years, the present mechanism will not work at all.

A simple calculation will show that, given an 18% writing down rate, an investor will still not have received tax relief on 30% of his investment in a piece of equipment. After eight years, he will still not have received 20%. He may anticipate a fairly large residual scrap value if he can sell the equipment on, but that is on the assumption that a good deal of its useful life remains, and I am not sure how realistic that assumption is.

If we are to have a review, let us review the whole capital allowance system to establish whether it is really giving businesses an incentive to invest. Perhaps we should have a look at what they are actually doing in their accounts. The right hon. Member for Delyn mentioned that. What is the useful life over which they are writing off assets? I think that we may be adding a huge amount of complexity to the system by preventing all the businesses in the country from employing actual accounts depreciation for this purpose, and requiring the creation of a capital allowance pool requiring all the assets to be tracked separately. In the past it was said that businesses were receiving a tax incentive, but this huge and unnecessarily complex system may have an adverse impact on them. Our review should ask whether the capital allowance regime is the right one.

[Nigel Mills]

Later—not today—we will come to clause 12. The Government have responded to some lobbying, and have recognised that it will cause huge problems for manufacturing business in particular. The clause proposes that the lives of short-life assets should end after eight years. Someone who invests in equipment whose life he expects to be less than eight years will have to make a separate election to treat it as a short-life asset rather than putting it in his main capital allowance pool. He can try to obtain the tax relief over the eight years; otherwise, as I have said, he will still have 20% unrelieved. We are building additional complexity into the system, and I am not sure that that is necessary.

The Bill contains various responses to businesses that are trying to find ways around the capital allowance rules. Clause 33, for instance, proposes anti-avoidance rules for long-funding finance leases. Year in year out, we see new and complex rules intended to prevent businesses from getting around the rules. Sometimes they are trying to obtain extra deductions to which they are not entitled, and sometimes they are trying to find ways of receiving a deduction over the period for which they think they should receive it.

If we are to be a tax-simplifying, tax-reforming Government, perhaps the Office of Tax Simplification could conduct a review of whether the capital allowance is still fit for purpose, and whether it is the right way to attract business investment over the next 10 or 15 years. Should we, in fact, try to find a way out of it, and adopt a system that allows businesses simply to look at their accounts to be eligible for some kind of tax relief, rather than having to adjust the depreciation for those assets? I know that that too will be complex, because there will be a huge hangover from the existing system, and there will be problems when people try to accelerate relief over far too short a period. However, I think that all those problems can be addressed, and that we shall be able to stop increasing the complexity of the system.

I cannot vote for the amendment, because I think that it is merely an excuse for a debate. If we are to have a review, let us have a proper one.

Mr Love: In recent years there has been a move in all western countries to reduce the headline rate of corporation tax and widen the tax base, and that is what has been proposed in the Budget. Does the hon. Gentleman support that move?

Nigel Mills: If we want a competitive corporate tax system, the tax rate is key. However, we probably need to examine four things, which include the tax base, as the hon. Gentleman said, and the complexity, stability and predictability of the system. We are in danger of just ticking the first box; I am not sure we are ticking the tax-base box well with this approach, and we are adding extra complexity. Many regimes around the world do not have capital allowances but do let businesses take the depreciation that they see in their accounts. That is a far more attractive, simple and predictable system, because businesses would not think, “I might invest in this piece of equipment, but they might reduce this to 15% in three years’ time and my relief suddenly starts to look different.” As the hon. Gentleman was trying to say, this involves a combination of things. We

need to get not only the rate right, but the base and the underlying system right; we will not get all the advantages from simply reducing the rate.

However, for most businesses the first headline comparison is about the overall tax rate, so that is the main thing to focus on. I am not going to vote against this rate reduction. Paying for the reduced rate partly by reduced capital allowances is the right way to go in this financial situation, but we need to go in the direction of simplifying our incredibly complex corporate tax system. We can all work out the statistics by saying, “When I started work 13 years ago, my tax legislation was so big and when I left a year ago it was much bigger, and I have not even got the VAT and inheritance tax book.” We can look at how many schedules on income—actual capital—we have and consider how many of them we actually need. The capital allowance regime is part of that problem, because it was written 50 or 100 years ago, when it actually worked. A lot of these things are out of date, so we must look to simplify things if we want to ask businesses to invest. I am not sure that they are going to worry about whether something is at 18% or 20%, but they do want tax relief for their investment over the useful life of their asset provided in a way that is simple for them to manage. I am not sure that we are anywhere near providing that at the moment.

A lot of my clients use the capital allowances regime to add flexibility to how they get tax relief in the years when they have profits and in the right entities in which they have profits. They will not entirely welcome my idea of simplifying this system and taking all that away from them. However, if we are to get a modern, competitive corporate tax system, it must be simple and easy to understand. It must also do what we want it to do: incentivise the investment that we desperately need to have a growing economy.

John McDonnell: I have a fair amount of sympathy with the hon. Member for Amber Valley (Nigel Mills), because if he ever wants to return to his former profession he may well find that he has lost a number of clients as a result of that speech.

The linkage between clauses 4 and 10 is inevitable, as my right hon. Friend the Member for Delyn (Mr Hanson) said from the Front Bench, because the corporation tax reductions are being paid for by these cuts in capital allowances. I do not want to upset the consensus that has emerged on the cuts in corporation tax, but I do not support them and believe that they will be an error in the long run. I address the issue of capital allowances in that context.

I am unclear as to what the Government’s strategy is on stimulating the economy to tackle the recession in a way that rebalances the economy. I thought that this was not just going to be a rebalancing between the public and private sectors. I listened to some of the statements made by the Chancellor and the Secretary of State for Business, Innovation and Skills about rebalancing the economy as between the finance sector and the manufacturing sector, which gained support across the House. We heard about the development of a manufacturing strategy that would enable us to have a balanced economy between the finance, manufacturing and service sectors, so that if there was a crisis in one sector, the whole economy would not collapse as a

result of overdependence on that sector. However, these Budget measures seem to fly in the face of that balanced approach.

A number of methods can be used to re-stimulate the economy, one of which is tax cuts, including corporation tax cuts, as have been introduced in this Bill. Another method is the more directional approach of considering a form of tax cuts through the capital allowances, whereby the Government try to influence economic behaviour in a way they believe to be beneficial. The other method is to invest in largely capital expenditure through public services—I am talking about public investment.

2.15 pm

Let us deal with the formation of policies through this Bill. I am anxious about the fact that clause 4 cuts corporation tax almost as an act of faith, in the belief that that will translate into investment, the stimulation of the economy and, thus, more jobs. Very slight evidence has been produced to suggest that that will happen. My right hon. Friend the Member for Delyn has mentioned the range of debate that has taken place in the Treasury Committee and elsewhere, and the evidence that has been produced by some witnesses, but it is fairly slight. The addition of a further 1p cut in corporation tax at the last minute—again, the Office for Budget Responsibility did not even have time to assess it properly—demonstrates that the calculations have been done almost on the back of a fag packet. This smacks of something that other Chancellors have been prone to in the past: a last-minute political stunt just to surprise us on Budget day. Paying for that cut by cutting capital allowances flies in the face of the argument that the Chancellor and the Prime Minister have put forward in the past about ensuring that we stimulate the manufacturing base so as to rebalance our economy.

I also find it worrying that the capital allowances are paying not only for the cuts in corporation tax more generally, but for the cuts in the treatment of the taxation requirements on multinationals. The briefing that we received from the House of Commons Library contains a quote from Mr Peston of the BBC about the treatment the Government are proposing for controlled foreign companies. The rules mean that there will be a 5.75% levy on cash held by multinationals in non-trading entities overseas and a low rate of tax, whereas various commentators thought it would be 8%. These are the same multinationals who

“stash cash in tax havens and low-tax countries.”

What seems to be happening is that UK companies that are struggling to obtain loans from banks, in the first instance, to invest in capital equipment to stimulate the local economy, and therefore jobs, and thus have an impact on the economy nationally are having their capital allowances cut so that we can reduce the rate that was intended to be introduced for tax multinational companies, which are avoiding, or evading, tax through the use of tax havens. That contradicts the statements that the Chancellor has made for some time.

Mr Hanson: May I assure my hon. Friend that we will return to those clauses in some detail?

John McDonnell: As my right hon. Friend said earlier, all these clauses are linked and it is difficult to disaggregate them. Clause 10 is certainly being used a mechanism to

fund the allowances being distributed to companies overall. As I say, I find it extremely difficult to link that to the rationale that has been given by both the Chancellor of the Exchequer and the Prime Minister in the past.

Jim Fitzpatrick: One of the biggest elements of British manufacturing is the food industry. When I was a Minister of State in the Department for Environment, Food and Rural Affairs, the National Farmers Union lobbied me aggressively. Consequently, I lobbied the Treasury, as DEFRA does, about capital allowances in respect of buildings and equipment for the farming community. Has my hon. Friend had a chance to talk to the NFU about the comments he is making? Has he any understanding about whether or not it is being penalised in order to assist transnational corporations from outside the UK? Is this being done instead of supporting British manufacturing and British business people?

John McDonnell: Strangely enough, given that I represent Hayes and Harlington, an urban area, I do not have an awful lot of engagement with the NFU, although my area does still have one farm left in it. I have an engagement with Hillingdon chamber of commerce—I am meant to be hosting its annual parliamentary lunch at the moment—and a number of its members have explained to me their concerns about the impact on small firms. I share the view of the hon. Member for Amber Valley: capital allowances should not be used just as mechanisms to be manipulated in years of high profit. There is a need for an overall review of capital allowances, but I find it unacceptable to cut them in the short term to pay for corporation tax reductions and for the beneficial treatment of multinational corporations. That is why I support the amendment, which is fairly mild-mannered and simply asks whether we can reconsider the matter.

As my right hon. Friend the Member for Delyn said, I would expect a wise Government to have the Treasury carry out such an assessment regularly. The amendment asks for that process to be more open and transparent and for it to be reported to the House so that we can have a full and thorough debate. I hope that the Minister can assure us that he can at least give us some line of reporting on the implementation of the policy over the coming period.

It worries me that as we cut capital allowances, which will reduce corporation tax in this country, we will get into a cycle just like that in the 1930s with an internecine battle between countries about reducing corporation taxes. That will lead to a policy of beggar thy neighbour in order to secure some short-term gain in the form of overseas investment in the UK. I do not believe that that is the solution and I think it will be found to be counter-productive in the long term, even though there might be some short-term gains to tide the Government over for the next 18 months, if they survive that long.

I believe that the Government are mistaken in bringing forward this process of corporation tax reduction. If we are paying for that through the capital allowances changes, we will divide industry and the private sector. A large number of small firms, particularly in the manufacturing sector, will lose out and will not gain sufficiently as a result of the corporation tax cuts. Other areas of the economy, particularly the finance sector, will gain yet

[John McDonnell]

again and yet more anxiety will be expressed in the private sector about the Government's divide-and-rule policy.

Andrew Gwynne: Is it not worse than that? Many of the small manufacturing industries in my constituency have been dependent on an old declining style of manufacturing. The capital allowances were the mechanism that they used to diversify. On my hon. Friend's point about rebalancing the economy, if we are to do that in areas that are heavily dependent on manufacturing industry, we must allow them to diversify into the new technologies and new manufacturing sectors.

John McDonnell: That is exactly the point that my right hon. Friend the Member for Delyn made and that I wish to reiterate. Capital allowances were introduced as a method of the Government's trying to shape behaviour within industry as best we could. They were a way to stimulate sectors of the economy, but they have also been used to stimulate innovation. The Government are committed to the stimulation of the green economy and I, like other Members on both sides of the House, deeply regret the Government's failure to act sufficiently swiftly to establish the green investment bank and to get it up and running, but that is a subject for another debate.

The role of capital allowances, particularly in the environmental field, could be key and cutting them with this broad-brush approach will deny the opportunity to the environmental industries, particularly those involved in the development of renewables, to become world leaders as the Government envisaged that they would in the coming period, an idea that we all supported. This is my right hon. Friend's point: if a review of the impact of the capital allowances were linked to the disastrous corporation tax policies overall, we would have the opportunity to consider the implications sector by sector and industry by industry as well as the design of the appropriate mechanisms, allowances or other things to stimulate those sectors of industry.

Mr Hanson: Does my hon. Friend accept that one key factor is the lack of a focus on outcomes in the consideration of the impact of the changes in both clause 4 on corporation tax and clause 10 on capital allowances? One key thing that the review would do, if we can secure from the Government today an aspiration to find out what the changes will mean for real jobs and the manufacturing industry, is test in 18 months' time whether those changes have been successful.

John McDonnell: Let me put it this way, as mildly as I possibly can: we hardly have a description of evidence-based policy making before us. Let us go back to the example of the additional 1p cut given by my right hon. Friend. When the Treasury Committee considered the matter, it invited evidence and Paul Johnson, the director of the Institute for Fiscal Studies, was questioned about the impact they would have. He said that we did not know about that with any precision. We do not know with any precision what the impact of the overall cut in corporation tax will be and we certainly do not know with any precision, globally or sectorally, what the impact of the

capital allowances cuts will be. We are stepping into the dark and going down the wrong path and that is why we should have the review.

I fear that a number of companies might have planned their development in advance based on the capital allowances that they thought were secure and would be forthcoming because of the statements of the previous Government as well of the Chancellor of the Exchequer over the past 12 months. They will now not proceed with that investment and as a result, the companies might not be put at risk but they will certainly not expand in the way that they planned and that will have consequences for jobs. In certain areas—my right hon. Friend has mentioned at great length the higher unemployment rates in certain regions—the effects on individual communities will be fairly catastrophic if this job growth does not go ahead.

I oppose the reduction in corporation tax, as I think it is misguided. I would prefer it if, instead of cutting taxes to companies and forgoing that income, we could use the income from the top companies and corporations to invest in public infrastructure projects that will get people back to work and stimulate the economy overall. The last thing I would suggest the Government should do, even if they are cutting corporation tax, is pay for that cut with cuts in capital allowances. In my view, that flies in the face of everything that the Government have said about rebalancing the economy, stimulating the manufacturing base and shaping behaviour so that there is a longer-term view of investment in the capital and manufacturing infrastructure of this country based on security and the knowledge of the income that a company will have to invest in the future.

Even if the Government cannot withdraw these provisions on the cuts in capital allowances and reconsider those on the corporation tax, I urge them at least to allow us to reconsider the matter within 18 months, as the amendment says, to see the implications overall. I honestly do not understand the fear within Government of having an open examination of this matter within that time scale. If I were a Minister, I would welcome it. If I were an advocate for this policy, I would welcome the opportunity to come back in 18 months or so and, if necessary, to gloat at its success. I certainly would not want to feel that I was on the run and hiding from the consequences of the decisions that I had proposed in a Finance Bill of this nature.

Mr Love: I echo the final comments of my hon. Friend the Member for Hayes and Harlington (John McDonnell) about the amendment. It mentions capital allowances—that is what we are discussing—and the impact they will have on the UK economy is of particular concern at the moment.

We must comment on the backdrop to this debate, as the economy has stalled over the past six months. We had a very bad final quarter of 2010 and although things improved in the first quarter of this year, the reality is that everyone was expecting much larger growth in the first quarter to compensate to some extent for the lack of growth in the final quarter of last year. If one reads what the commentators and forecasters have said, one sees that there is genuine concern, which is reflected in the figures provided by the Office for Budget Responsibility. The predicted growth rate has gone from 2.6% to 1.7%, but that figure might already be out of date, so there could be further reductions in the rate.

2.30 pm

It is suggested that unemployment will go up from 8% to 8.2% but, just as other Opposition Members have reflected on unemployment in their areas, I note that unemployment in my constituency is 9.3%, which is just under the London average. With the best will in the world, it is quite hard to see how we are going to turn the corner against the backdrop of what is happening internationally. One point that I think will hit home harder about the Government's strategy is that the reductions in growth rates and the increases in unemployment mean that there will have to be an additional £43 billion-worth of borrowing over this Parliament at a time when the Government are telling us that the overwhelming strategy is to reduce the deficit.

The Government's recent paper on the growth strategy also forms part of the backdrop. It would not be hyperbole to say that there has been widespread dismay about the report because it does not contain the germs of ideas that people can reasonably hope will have an impact on the growth of the economy. As far as enterprise zones are concerned, we have been here before: they shift employment around their local region but they do not make a great contribution to growth or employment creation. On the national insurance holiday for small companies outside London and the south-east, we understand from a report produced in the *Financial Times* that it is unlikely to measure up to the claims that were made for it when it was introduced last year. Whether it is because of bureaucracy or other problems, it is not being taken up by small businesses and the reality is that it is not going to contribute to strengthening our growth rate.

Andrew Gwynne: My hon. Friend is making a good start to his speech by setting out the background. Not long ago, when the Chancellor was promoting his Budget and introducing the measures that my hon. Friend is talking about, he did so on the basis that it was a Budget for growth. However, do not the OBR's forecasts show that even with the measures in the Budget, growth is predicted to be lower than it would have been had Labour's plans remained in place?

Mr Love: Absolutely. One has to question, as I am doing, the Government's whole strategy, which they call a growth strategy but which does not appear to be delivering what we would expect from a proper growth strategy. Indeed, the previous Government's growth strategy produced a far better result, as I shall discuss in a moment.

I want to cover two other issues that have caused quite a lot of surprise and concern in relation to the Government's policies. First, on construction, the first quarter growth figures for this year show one glaring and prominent inadequacy in construction activity, which is going down rapidly. If we add to that the incoherent policies that the Government are pursuing on house building, planning consents and oiling the wheels of the construction industry's infrastructure, one can only be very gloomy about the prospects for the next year or two.

Secondly, I will mention manufacturing because it would be part of the report that we are suggesting the Government should produce. Manufacturing did rather

better than I had suspected it would in the first quarter. Internationally, it seems to be delivering some of the changes in net exports that all the economic forecasters suggested, but we need a much more growth-oriented manufacturing sector if we are to bring about the changes that will be necessary if the changes in capital allowances are to go forward.

Those considerations lead me to conclude that the Budget proposals before us—the reduction in the headline rate and the compensatory measures widening the tax base to pay for that—are the main thrust of the Government's growth strategy in real terms. The Government suggest that those measures will help to rebalance the economy. I look at all issues as objectively as I can and I have to say that, given the measures being undertaken in the comprehensive spending review in relation to the public sector, we certainly need to do something to boost the private sector. We are told that the measures will do that, but will they? That is the question being addressed in the amendment.

The Minister and the Chancellor have told us that a lower rate of corporation tax should act as a signal that we are open for business. There is some evidence that that approach has worked previously to a limited extent, but the question is whether it will work in the current economy. I am not a sceptic but, like the shadow Minister, I would like to see some Government projections about the number of businesses they expect to come from other countries either to expand existing operations or to start new ones here as a result of that signal.

In his Budget statement, the Chancellor proclaimed from the Treasury Bench that we have

“the lowest corporation tax in the G7”—[*Official Report*, 23 March 2011; Vol. 525, c. 955.]

but we already had the lowest rate of corporation tax in the G7. If all we are trying to do is send a signal, surely we could have proclaimed that. There is also the wider Group of Twenty to consider. Looking at countries such as Ireland we must ask whether it is feasible and rational for our strategy to be to compete with Ireland. As we know, there is debate in Northern Ireland about whether corporation tax should come down to the level in the rest of the island. There is genuine debate about that, but I do not think it is being suggested that we want to compete with Ireland. We compete with the major G7 economies and our rate is already below theirs. The cut in corporation tax will re-emphasise that, but what we would like to know from the Minister is what benefit that will deliver to the British economy.

Andrew Gwynne: Is it not a fact that for the international companies seeking to invest inwardly in the United Kingdom, corporation tax is only one small part of the overall picture? They are looking at much more than just the headline tax rate.

Mr Love: Yes, absolutely. If we look at business investment, which in some senses reflects how optimistic employers, manufacturers and other parts of the economy are about the future, we will see that we have not had the increase in business investment that all the forecasters, economists and coalition politicians have been telling us we should have. That reflects the wider issues in the economy that should be of such major concern. We cannot expect a cut in corporation tax to solve all the problems, but the merit of the amendment is that it

[Mr Love]

proposes that the Government try to indicate how much additional growth and employment will be created as a result. In the previous debate, the Minister suggested that a cut in corporation tax would boost investment.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. I appreciate that the Government themselves have said that corporation tax and capital allowances are part of a package, and I have therefore allowed a linked debate, even though we have finished debating corporation tax. However, the hon. Gentleman needs to focus a little more on capital allowances, which are the subject of the amendment.

Mr Love: Thank you for your guidance, Ms Primarolo. I will move swiftly on to capital allowances. The Government have discussed the need to widen the tax base and they have told us that reducing capital allowances is partly a method of paying for the cut in the headline rate. As I mentioned in an intervention, that phenomenon has been apparent in most western countries in recent years and, indeed, all the economists project that there will be much greater competition in business taxes. Corporation tax is likely to continue to come down, and the reduction will be partly made up by the widening of the tax base.

Like my right hon. Friend the Member for Delyn (Mr Hanson), I am prepared to consider the changes to capital allowances, although I am concerned about the cut in the annual investment allowance from £100,000 to £25,000. I am perfectly happy, however, to look at that if we are reassured that the proposal in the amendment will make a significant difference. As has been said—and I have said so myself—the Office for Budget Responsibility added a rather sceptical note to the debate by suggesting, even though it had been informed at a late stage of the 1% cut in corporation tax, that that would not have a great impact on growth.

Finally, I want to focus on the issue of who will benefit from the changes to capital allowances. As has been stated by a number of Opposition Members, high-profit, low-investment companies will be the main beneficiaries of the package, which is unfair and, if I may say so, will not achieve the rebalancing of the economy that the Chancellor has promoted for a considerable period, away from financial services towards the manufacturing and production of export-oriented goods. The change militates against all of that. In particular—and I refer to the cut from £100,000 to £25,000—it will penalise manufacturing, particularly businesses with high capital costs. My right hon. Friend the Member for Delyn mentioned the motor industry and others, but I am concerned, because I have a number of small, capital-intensive manufacturers in my constituency. Sadly, they are only a remnant of the manufacturing sector that we had 25 or 30 years ago, but we need them and we need to promote them. I am therefore worried about the Government's proposals.

2.45 pm

Andrew Gwynne: My hon. Friend has been incredibly generous in accepting interventions. I am not sure of the extent of the manufacturing base in his constituency, but I imagine that it is pretty similar to mine. Small manufacturing industries tend, as he said, to be a remnant

of the larger-scale manufacturing that once operated in our constituencies. Does he not regard the capital allowances scheme as a mechanism for manufacturing industries, however small, to diversify into the new sector?

Mr Love: I agree. If we take the coalition at face value, it has suggested that we need a vibrant small business and manufacturing sector, much of it consisting of small businesses. I would think that it would want to promote that by incentivising it through the taxation system. One wonders whether the measure would achieve that. I do not want to suggest, without any concrete figures, that that will in fact happen. We urge the Government to produce those figures, so that we can all make a judgment. Indeed, they can make a judgment about whether their policy has achieved their objectives.

Jim Fitzpatrick: My hon. Friend, like most of the speakers in this debate, is generously supporting the modest amendment tabled by our right hon. Friend the Member for Delyn. It does not attack what the Government are trying to do; it is just asking for

“an assessment of the impact of the changes”.

We are therefore giving the Government the benefit of the doubt, as their proposal may well be beneficial and positive. As my right hon. Friend has said, the Treasury will examine, monitor and scrutinise the impact of the measure on businesses, so what is wrong about publishing an account as suggested by the amendment?

Mr Love: I agree, as other Members do, that that is not an unreasonable request. If the Government choose not to support the amendment, are they concerned about the impact of capital allowances and the prospects for the UK economy? One wonders whether they do not want the debate that would ensue in 2012 when, if we are to believe Government figures and the OBR, the economy should turn a corner. That would be an appropriate time at which to carry out that investigation.

There are 5 million small businesses in this country, and it is a symbol of the unity that we occasionally achieve in the Chamber that Members from all parts of the House recognise the role that they play now and, importantly, in future. If we add to the impact of capital allowances on small businesses the failure of the banking system in this country to provide the credit necessary to expand the sector, I wonder whether we can achieve all that the Government hope to achieve through the shift from public sector to private sector activity. I merely raise that as an additional issue, but I hope that the Government will address the credit needs of the small business sector a little more robustly. That is what underpins the amendment.

John McDonnell: I apologise, Ms Primarolo, for leaving the Chamber earlier. Should there not be some consultation of small businesses in particular so that they could describe the nature of the investments that they would forgo if they failed to secure the capital allowances that they normally secured under previous regimes? That would allow the Government to assess the overall impact of the loss of those investments to sectors of industry and on employment overall.

Mr Love: My hon. Friend makes my point. That is exactly why, once the changes have been introduced, we need to review and assess their impact, particularly on

small businesses and more generally on the economy. We would like to be reassured that the headline rate cap with the changes to the allowances will make a material and positive difference to the economy.

I commend the amendment to the Committee and in particular to the Minister. I hope he will consider carefully what is asked for and agree that it is a constructive amendment that he can support. I hope that together we can make a real difference to the prospects for the UK economy.

Mr Gauke: Amendment 6 would require the Chancellor to publish by 31 October 2012 an assessment of the impact of the proposed changes to capital allowances on the UK economy, as we have heard. The amendment was tabled to clause 10, which reduces the rates of writing-down allowance on the main rate pool of plant and machinery expenditure to 18% and on the special rate pool to 8%. Before I deal with the amendment, I will explain the purpose of clause 10, which is key to the amendment.

Capital allowances allow businesses to write off their expenditure on capital assets, such as plant and machinery, against their taxable income. They act as a simple, statutory system in place of commercial depreciation. Capital allowances are given at different rates, depending on the year of investment and the type of asset acquired. The principal year-on-year allowance for plant or machinery expenditure is the writing-down allowance. The main rate is currently 20% per annum, and the special rate is 10%.

Both are calculated on the reducing-balance basis. We are making changes also to the annual investment allowance, in clause 11, reducing it to £25,000, as we have heard, and extending the short-life assets regime from four to eight years, in clause 12.

The changes announced last year, given effect by clauses 10 and 11, enable a reduction in the main rate of corporation tax, which will reaffirm Britain's competitive tax system and support enterprise and growth. The right hon. Member for Delyn (Mr Hanson) was right to highlight the fact that this is part of a package. In his earlier remarks, the hon. Member for Edmonton (Mr Love) pointed out that this was a partial contribution. There is none the less a gap, and further funding has been found—from the bank levy, for example—which has enabled us to reduce the corporation tax rate.

We have already debated the benefits of reducing the corporation tax rate and we have returned to that topic to some extent in the present debate. I note that it does not have the support of all hon. Members, although it is supported by the Opposition Front-Bench team. It is helpful to repeat what was said by John Cridland, the director general of the CBI:

“The extra 1p cut in corporation tax will help firms increase investment.”

The objective is not just to reduce the amount of tax that companies pay, but to enable them to invest and grow businesses in the United Kingdom. I am pleased that that is welcomed throughout much of the Chamber.

Our initial assessment of the package as a whole suggested that that would lead to an additional £13 billion of business investment by 2016 by making the cost of capital investment cheaper. The additional reductions in corporation tax rate and the extension of the short-life

assets regime will help to increase further the levels of investment by business. We estimate that the overall effect of these measures will be to reduce the tax liabilities of the manufacturing sector by around £700 million by 2015. The changes to the rates of writing-down allowances do not mean that businesses will not continue to receive full tax relief for their investments in plant and machinery. Rather, the relief will be over a slightly extended time frame.

Let me give an example. Where it would have taken 11 years under the current rate to write off more than 90% of the cost of a machine, it will now take 12 years. Meanwhile, the rates will continue to align broadly with average rates of depreciation across the economy. This does not mean that we intend to remove capital allowances in favour of pure accounting depreciation.

On the issue raised by my hon. Friend the Member for Amber Valley (Nigel Mills), the previous Government did consult in some detail in their reform of corporation tax between 2002 and 2004. I am sure you remember it well, Ms Primarolo. The business response to that consultation was strongly in favour of retaining capital allowances. It was argued that capital allowances provide certainty and a level playing field, with the same rates of allowances applying to all. The flexibility of the system allows the pooling of expenditure and the ability to claim less than full allowances, depending on the individual's business circumstances. My hon. Friend set out the case for a different approach to capital allowances. He brings great expertise on the matter and there is ongoing debate, but we do not intend to reopen discussion of that point.

Nigel Mills: I am grateful to my hon. Friend for reminding me of that study from almost a decade ago. I gently point out to him that the rate of capital allowances was quite a bit higher at the time of the study. If he did the same exercise now, he might get a slightly different answer.

Mr Gauke: Again, my hon. Friend raises an interesting point. We look forward to receiving any representations that he may wish to make on that. He is right to say that the rate of capital allowances has changed since 2004, and he highlighted in an intervention the fact that the previous Government—as I am sure you will recall well, Ms Primarolo—reduced writing-down allowances in 2007, a point that my hon. Friend made to the right hon. Member for Delyn.

In response to those Opposition Members who raise their concern about the approach that the Government have been taking, I point out the approach taken by their Government in the previous Parliament, when they were all Members of this place. Whereas we are reducing the writing-down allowance from 20% to 18%, the previous Government reduced it from 25% to 20%. In our case that is a contribution towards reducing the main rate of corporation tax from 28% to 23%. The previous Government reduced it from 30% to 28%. Ours is a much more generous package for business and as a consequence a much better package for manufacturing than that contained in the 2007 Budget, where essentially the entire reduction in corporation tax from 30% to 28% was paid for by the reduction in the writing-down allowance from 25% to 20%.

[Mr Gauke]

On amendment 6, the Government are fully committed to providing greater transparency on the impact of tax measures. I am sure Opposition Members have examined the tax information and impact notes that we published on 9 December relating to clauses 10 and 11, and the additional note that we published at Budget in relation to clause 12. It is clear that there is no need to publish a report into the impact of the capital allowances changes. We have provided a great deal of detail already, but for those hon. Members who have not had the opportunity to read the published notes, let me provide a brief summary.

The note states:

“The OBR assessment of the package was that the cuts in CT”—

that is, corporation tax—

“rates more than offset the reductions in investment allowances”, and that the businesses affected

“will benefit from related reductions in the rates of CT.”

As I said earlier, we expect the overall effects of the cuts in corporation tax rates and capital allowances changes to lead to an additional £13 billion of investment, and the additional changes to increase that further.

Although this is not strictly in scope, as the amendment is to clause 10, I hope I may be allowed to make a few comments about the other changes to capital allowances in the Bill, to which we shall return in Committee upstairs. The reduction in the annual investment allowance to £25,000 is estimated to affect between 100,000 and 200,000 businesses. As the tax information and impact note clearly states, however:

“The CT reform package will promote higher levels of business investment than would otherwise have been the case.”

Further, more than 95% of businesses in the UK will be unaffected, as the qualifying capital expenditure will continue to be completely covered by the annual investment allowance, so companies, be they small, medium or large, will benefit from the CT cuts, including the cut in the small profits rate in clause 5, while most unincorporated businesses, which by their nature tend to be the smallest businesses in the economy, will still have their expenditure covered by the annual investment allowance.

3 pm

Clause 12 contains changes to the short-life assets regime, which will enable a business to obtain allowances that equate to the actual depreciation of the asset over the period of actual ownership. That change was described by Terry Scuoler, the chief executive of the Engineering Employers Federation, the country’s leading manufacturing organisation, as a change that

“will make the tax system more efficient and remove in part barriers to investment.”

The change will better recognise the cost to business of investing in modern machines with shorter lives.

I can understand the right hon. Member for Delyn wanting to table an amendment calling for a report. It is a mechanism that Oppositions down the ages have used, it has been well used during our debates in Committee of the whole House and, indeed, I suspect that I may well have tabled such amendments in the past as an Opposition Front Bencher. They tend to be tabled and they tend to be rejected. Of course, the Government will

always keep matters under review, but the proposed amendment does not add very much of great value. The changes that we are setting out to corporation tax are a vital component of the reforms that are essential if we are to achieve our goal of creating the most competitive tax system in the G20, and we have already set out clearly the impact of the changes to capital allowances.

The right hon. Gentleman raised the question about employment and manufacturing, but the fact is that in the three months to February employment rose by 143,000, while in the first quarter of this year manufacturing grew by 1.1%, and in Q4 of 2010 the net rate of return of manufacturing companies rose to 10.4%, up from 8.6% in Q3.

We are taking steps to support manufacturing and to make the UK more competitive with a stronger tax system. I therefore propose that the clause stand part of the Bill and ask the right hon. Gentleman to withdraw his amendment.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): I call Mr Hanson.

Mr Hanson: Good afternoon, Mr Evans. Can I welcome you to the Chair of this seemingly unending Committee, which has been going on for the past couple of days?

I have listened very carefully to the Minister, but I think that the amendment is very modest: we are asking for a report in 18 months’ time, in October 2012, on the impact of the changes. We ask for that, because my right hon. and hon. Friends retain an element of concern that the cut in manufacturing capital allowances will damage some manufacturing sectors. Based on those concerns, we wish to continue to reflect on those matters, and I therefore wish to put the amendment to a Division, so that we can place on the record our concerns about the capital allowance cuts and state that we wish to review the matter very clearly in 18 months’ time, in October 2012.

Question put, That the amendment be made.

The Committee divided: Ayes 121, Noes 249.

Division No. 267]

[3.3 pm

AYES

Abbott, Ms Diane	Clwyd, rh Ann
Abrahams, Debbie	Coffey, Ann
Ainsworth, rh Mr Bob	Cooper, Rosie
Alexander, Heidi	Cooper, rh Yvette
Ali, Rushanara	Creasy, Stella
Anderson, Mr David	Cruddas, Jon
Bailey, Mr Adrian	Cryer, John
Balls, rh Ed	Cunningham, Mr Jim
Barron, rh Mr Kevin	Cunningham, Tony
Bayley, Hugh	Dakin, Nic
Beckett, rh Margaret	David, Mr Wayne
Begg, Dame Anne	Denham, rh Mr John
Benn, rh Hilary	Donohoe, Mr Brian H.
Berger, Luciana	Dowd, Jim
Blunkett, rh Mr David	Eagle, Ms Angela
Brennan, Kevin	Eagle, Maria
Brown, Lyn	Efford, Clive
Brown, rh Mr Nicholas	Elliott, Julie
Burnham, rh Andy	Ellman, Mrs Louise
Byrne, rh Mr Liam	Engel, Natascha
Campbell, Mr Alan	Fitzpatrick, Jim
Campbell, Mr Ronnie	Flint, rh Caroline
Chapman, Mrs Jenny	Fovargue, Yvonne

Gapes, Mike
 Gardiner, Barry
 Glindon, Mrs Mary
 Goodman, Helen
 Green, Kate
 Gwynne, Andrew
 Hanson, rh Mr David
 Hendrick, Mark
 Heyes, David
 Hilling, Julie
 Hodge, rh Margaret
 Hodgson, Mrs Sharon
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Jackson, Glenda
 James, Mrs Siân C.
 Johnson, rh Alan
 Johnson, Diana
 Jones, Mr Kevan
 Kaufman, rh Sir Gerald
 Lavery, Ian
 Lewis, Mr Ivan
 Lloyd, Tony
 Love, Mr Andrew
 MacShane, rh Mr Denis
 Mactaggart, Fiona
 Mahmood, Mr Khalid
 Mahmood, Shabana
 McCann, Mr Michael
 McDonagh, Siobhain
 McDonnell, John
 McFadden, rh Mr Pat
 McGovern, Alison
 Meacher, rh Mr Michael
 Meale, Mr Alan
 Mearns, Ian
 Miliband, rh David
 Miller, Andrew

Morris, Grahame M.
 (*Easington*)
 Mudie, Mr George
 Nandy, Lisa
 Pearce, Teresa
 Phillipson, Bridget
 Pound, Stephen
 Raynsford, rh Mr Nick
 Reed, Mr Jamie
 Reynolds, Emma
 Robertson, John
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ruddock, rh Joan
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Skinner, Mr Dennis
 Slaughter, Mr Andy
 Smith, rh Mr Andrew
 Stringer, Graham
 Stuart, Ms Gisela
 Sutcliffe, Mr Gerry
 Thomas, Mr Gareth
 Timms, rh Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, Valerie
 Walley, Joan
 Watts, Mr Dave
 Whitehead, Dr Alan
 Wicks, rh Malcolm
 Williamson, Chris
 Winnick, Mr David
 Winterton, rh Ms Rosie

Tellers for the Ayes:
David Wright and
Phil Wilson

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Amess, Mr David
 Andrew, Stuart
 Arbuthnot, rh Mr James
 Bacon, Mr Richard
 Bagshawe, Ms Louise
 Baker, Norman
 Baker, Steve
 Baldry, Tony
 Baldwin, Harriett
 Barclay, Stephen
 Barker, Gregory
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Bingham, Andrew
 Binley, Mr Brian
 Blackman, Bob
 Blunt, Mr Crispin
 Boles, Nick
 Bradley, Karen
 Brady, Mr Graham
 Brake, Tom
 Bray, Angie

Brazier, Mr Julian
 Brine, Mr Steve
 Brokenshire, James
 Bruce, Fiona
 Bruce, rh Malcolm
 Buckland, Mr Robert
 Burley, Mr Aidan
 Burns, rh Mr Simon
 Burrowes, Mr David
 Burstow, Paul
 Burt, Alistair
 Cable, rh Vince
 Cairns, Alun
 Carmichael, rh Mr Alistair
 Carmichael, Neil
 Cash, Mr William
 Chishti, Rehman
 Clappison, Mr James
 Clarke, rh Mr Kenneth
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Crabb, Stephen
 Crouch, Tracey
 Davies, Philip
 de Bois, Nick
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dorries, Nadine

Doyle-Price, Jackie
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Jonathan
 Evennett, Mr David
 Fabricant, Michael
 Fallon, Michael
 Featherstone, Lynne
 Foster, rh Mr Don
 Francois, rh Mr Mark
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Garnier, Mr Edward
 Gauke, Mr David
 Gibb, Mr Nick
 Gilbert, Stephen
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Damian
 Greening, Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Hames, Duncan
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, Matthew
 Hands, Greg
 Harper, Mr Mark
 Harris, Rebecca
 Hart, Simon
 Harvey, Nick
 Heald, Oliver
 Heath, Mr David
 Heaton-Harris, Chris
 Hemming, John
 Henderson, Gordon
 Hendry, Charles
 Herbert, rh Nick
 Hinds, Damian
 Hoban, Mr Mark
 Hollingbery, George
 Hollobone, Mr Philip
 Hopkins, Kris
 Horwood, Martin
 Howarth, Mr Gerald
 Howell, John
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Jenkin, Mr Bernard
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kelly, Chris
 Kirby, Simon
 Knight, rh Mr Greg

Kwarteng, Kwasi
 Lamb, Norman
 Lancaster, Mark
 Lansley, rh Mr Andrew
 Laws, rh Mr David
 Leadsom, Andrea
 Lee, Jessica
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Mr Edward
 Leslie, Charlotte
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lord, Jonathan
 Loughton, Tim
 Luff, Peter
 Macleod, Mary
 Main, Mrs Anne
 May, rh Mrs Theresa
 McCartney, Jason
 McIntosh, Miss Anne
 McPartland, Stephen
 McVey, Esther
 Menzies, Mark
 Mercer, Patrick
 Metcalfe, Stephen
 Miller, Maria
 Mills, Nigel
 Moore, rh Michael
 Mordaunt, Penny
 Morris, David
 Morris, James
 Mosley, Stephen
 Murray, Sheryll
 Morrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Nuttall, Mr David
 O'Brien, Mr Stephen
 Offord, Mr Matthew
 Ottaway, Richard
 Paice, rh Mr James
 Patel, Priti
 Pawsey, Mark
 Penrose, John
 Perry, Claire
 Phillips, Stephen
 Pickles, rh Mr Eric
 Pincher, Christopher
 Pugh, John
 Raab, Mr Dominic
 Randall, rh Mr John
 Reckless, Mark
 Redwood, rh Mr John
 Rees-Mogg, Jacob
 Reid, Mr Alan
 Robathan, rh Mr Andrew
 Robertson, Hugh
 Rogerson, Dan
 Rosindell, Andrew
 Rudd, Amber
 Ruffley, Mr David
 Russell, Bob
 Rutley, David
 Scott, Mr Lee
 Selous, Andrew
 Sharma, Alok
 Shelbrooke, Alec
 Simmonds, Mark
 Simpson, Mr Keith
 Smith, Miss Chloe

Smith, Henry
 Smith, Julian
 Smith, Sir Robert
 Soames, Nicholas
 Soubry, Anna
 Spencer, Mr Mark
 Stanley, rh Sir John
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Mr Graham
 Swales, Ian
 Swayne, Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Tapsell, Sir Peter
 Teather, Sarah
 Timpson, Mr Edward
 Truss, Elizabeth
 Turner, Mr Andrew
 Tyrie, Mr Andrew
 Uppal, Paul

Vaizey, Mr Edward
 Vara, Mr Shailesh
 Villiers, rh Mrs Theresa
 Walker, Mr Robin
 Wallace, Mr Ben
 Walter, Mr Robert
 Watkinson, Angela
 Weatherley, Mike
 Webb, Steve
 White, Chris
 Whittaker, Craig
 Whittingdale, Mr John
 Wiggin, Bill
 Willetts, rh Mr David
 Williamson, Gavin
 Willott, Jenny
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wright, Simon
 Yeo, Mr Tim
 Young, rh Sir George
 Zahawi, Nadhim

Tellers for the Noes:
Mr Brooks Newmark and
Jeremy Wright

Question accordingly negated.

Clause 10 ordered to stand part of the Bill.

Clause 35

REDUCTION IN CHILDCARE RELIEF FOR HIGHER EARNERS

Question proposed, That the clause stand part of the Bill.

Mr Hanson: Once again, Mr Evans, I welcome you and look forward to your time in the Chair as we debate clause 35 of the Finance Bill. You will of course be aware that we tabled an amendment to the clause that you have chosen not to select, which is your prerogative; we are relaxed about that. However, it is important that we test and discuss the issues in the clause with Ministers to examine its impact, as well as the impact of other changes that form part of this package of measures.

Our concerns centre on the effects of the various changes that have been made to child care support. Clause 35 introduces changes to the higher rate taxpayer relief for child care—an issue that caused some discussion in the last months of the previous Labour Government and will undoubtedly cause further discussion today. We need to look at the clause not only in its own context but in the light of wider taxation and benefit policies that the Government are progressing. This is part of a number of measures that will address a range of issues to do with child care and families generally. I also want to consider some of the technical matters that outside groups have raised with me and with other hon. Members regarding the wording of the clause and, if I may slightly stray outside the scope of the debate, the wording of schedule 8, which is related to it and to which we will return in Committee in due course.

The background to clause 35 will be familiar to my right hon. Friend the Member for Edinburgh South West (Mr Darling) because it had its genesis in discussions that took place as part of the previous Labour Government's proposals. Members will be aware that

in 2009 my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), as Prime Minister, announced to the Labour party conference proposals that he brought before the House later that year regarding child care relief and basic rate relief.

In government, Labour's plan was to use the savings from limiting child care relief to basic rate relief to fund an expansion of child care places for two-year-olds in England, with potential consequential reliefs and amendments for Wales, Scotland and Northern Ireland. There was some controversy and discussion on those matters. The Exchequer Secretary will be aware that there was extensive discussion in the Labour Government about those matters, and that under the leadership of my right hon. Friend the Member for Kirkcaldy and Cowdenbeath, they settled on limiting child care relief to basic rate relief, with the purpose of funding an expansion of child care places for two-year-olds.

I would like clarification from the Exchequer Secretary today on—[*Interruption.*] Don't worry, I am still here. The hon. Member for Crewe and Nantwich (Mr Timpson) will know that one picks up the occasional sedentary remark. Unless I reflect back on the last remark, it will not appear in *Hansard*, and on this occasion, I will not reflect back on it. As can be seen, Government Members have expressed an interest in my speech.

The Government have made changes to the Labour Government's proposals on basic rate relief and the expansion of child care places for two-year-olds. Indeed, the Government's proposals are markedly different on the child care element, to which the relief is linked. The Labour Government had planned some 250,000 child care places for two-year-olds from low-income families, although I accept that that was scaled down to about 65,000 child care places. The Government proposals before the Committee will increase from 10 to 15 the hours for the pilot of child care places for 28,000 children. There is a significant expenditure saving in clause 35, compared with the Labour Government proposals. I think that it is worth focusing on those issues today, because if the scope of the discussion that I have given is accepted, this measure cannot be divorced from the reasons why the Labour Government intended to undertake the purpose of clause 35 and what the current Government are now doing with that resource.

From January this year, value added tax will cost families with children an extra £450 a year on average. That is one of a range of measures on the table that will press hard on the ability of individuals to provide child care at affordable levels.

The Government are pressing ahead with the change that my right hon. Friend the Member for Kirkcaldy and Cowdenbeath proposed in government to pay for the trebling of the number of free child care places available to the most deprived two-year-olds. We accept that the relief, which is manifested in clause 35, was badly targeted. That is why we made those changes in government, and our proposal would have paid for more of the poorest in our society to have child care. I want the Exchequer Secretary to explain how the resultant savings from the proposals will be invested to support issues such as child care for people in our community.

At the same time, the Government are hitting family finances in other ways, such as through child tax credits and through child benefit being frozen, and indeed being cut for many people in the years ahead. The families who will be affected by this measure will soon

be affected by other measures, particularly that on child benefit. The taxation changes in clause 35 need to be seen in the light of the decision to withdraw child benefit from April 2013 from households containing at least one higher rate taxpayer.

Mr Gauke: I am following the right hon. Gentleman's speech closely. Will he clarify for the Committee whether the Labour party has a specific proposal on what the savings from this measure should be used for? Is it committed to using them for nursery places, or for something else?

Mr Hanson: As I have said, the Labour Government's original proposal, which was announced by the then Prime Minister, was to use the resources saved from this badly targeted tax relief to support the extension of child care for two-year-olds in poorer families. Our purpose at the time was to expand the number of places to about 250,000. There were discussions in the Government, and the Exchequer Secretary knows that the figure we settled on was about 65,000 child care places. I understand that he proposes to stick to the pilot of 28,000 places, and I would be grateful for clarification on that, and to extend the number of hours to 15 hours per week. That is significantly less than what was proposed by the previous Government.

Mr Gauke: Does the Labour party remain committed to its proposals in government to use that funding for 65,000 child care places?

Mr Hanson: Actually, Ministers answer the questions and the Opposition ask them. I have been clear with the Exchequer Secretary about the proposal that we outlined in government, and that will be our view. We are potentially four years from government.

I am simply pressing the Exchequer Secretary on what the impact is of clause 35, and why there has been a significant change—unless he wishes to clarify that further—to the proposals announced by the previous Government on extending child care for two-year-olds. It is important that we know not just what the clause means, because it will restrict child care support for higher rate families. The purpose of our proposal in government was to expand child care arrangements for poorer and lower-income families. The Government are now squeezing the middle while—unless the Exchequer Secretary clarifies that the contrary is the case—not providing the same level of child care places that were originally proposed by the Labour Government.

This measure is coupled with a range of other measures, which are not before the Committee in clause 35, but which I hope you will give me the scope to touch on, Mr Evans. There are real-terms cuts to child benefit, which is frozen at £75.40 this year for families; the baby element of child tax credits, which is worth £545 a year, has been scrapped; benefits have been set on a permanently lower path of inflation; the basic and 30-hour elements of working tax credit have been frozen; and the second income threshold for the family element of child tax credit has been cut. Those measures all add to the pressures on child care responsibilities and on families.

Andrew Gwynne: My right hon. Friend has set out a series of measures that the Government are implementing in the Budget. Does he find it ironic that those measures

come from the Conservative party, given that the Prime Minister claimed before the general election that he would lead the most family friendly Government in history? Those measures are penalising hard-working families, and women more than men.

Mr Hanson: Indeed. It is a fact of life that child care often remains the prime responsibility of the woman. Child benefit is paid to the woman for that purpose. Clause 35 does not deal with child benefit—I do not wish to test your patience, Mr Evans—but, in principle, the purpose of the Labour Government's original policy proposals was to expand free child care for people who could not afford it otherwise, to help to support women to get back into work and to help individuals to support their children.

As I understand it—I am willing to be contradicted and to hear clarification from the Minister—the impact of the proposals is that fewer child care places will be available than the previous Labour Government proposed. That must be a matter of some concern. Indeed, in our original amendment, we proposed a review of child care provision to consider the impact of all these measures. Clause 35 proposes changing higher-rate relief to basic-rate relief for higher-rate taxpayers, but we should not consider it in isolation; it is only one change among many on child benefit and the other issues that I have mentioned that raise concern among the official Opposition.

3.30 pm

The Minister will know, because we discussed this in the debate on the last group of amendments, that the OECD has recently released a report that warned that child poverty was set to rise, thanks to the Government's policies. I am proud of the fact that one of things that we did was to lift more than 500,000 children out of poverty. Sadly, it looks as though that policy will be reversed. The impact of clause 35 and the Government's proposals on spending the associated resources represent a different choice from the one that the previous Labour Government intended to make, and the Minister needs to focus on that.

The Labour Government made progress on tackling child poverty. When we left office, it was expected that about 1 million children would be lifted out of poverty by our actions. The impact of clause 35, as I read it, relates to high earners. I accept that the relief was badly targeted, but I repeat that I want the Minister to clarify how the changes in expenditure that he proposes as a result of clause 35 will impact on child poverty issues.

The OECD has found that
“progress in the UK has stalled, and”
child poverty
“is now predicted to increase”.

The measures in clause 35 will not assist the progress that the previous Labour Government made in providing a lift out of child poverty for the poorest families in society. At a stroke, unless the Minister contradicts me, by not using the expenditure as originally planned by the previous Government, he will be removing the ability to invest in the child care places that were planned for the poorest members of our society.

Mr Geoffrey Robinson (Coventry North West) (Lab): My right hon. Friend touches on the great steps made under the previous Government to alleviate child poverty.

[Mr Geoffrey Robinson]

Was he by any chance present during Prime Minister's Question Time today, when the Prime Minister made it clear that we had reached the end of the road in terms of taxation measures to achieve that? In particular, he said that he was absolutely against further redistributive measures. The proposals, which are separate from straightforward taxation measures, will take further steps to aggravate, not alleviate, child poverty.

Mr Hanson: The Minister has an opportunity to clarify the Government's approach to the provision of child care. That is clearly linked to clause 35, because the Labour Government's original proposals were designed to meet the objectives that my hon. Friend has indicated. That point is made, and I want the Minister to clarify his approach to child poverty and how the Government propose to fund child care places for two-year-olds.

Agencies and organisations outside the House have made a range of comments on clause 35. It is worth giving the Minister an opportunity to respond to them, and I hope that he will offer some reassurance. Some of the comments also relate to the accompanying schedule. I appreciate that the Committee is not considering that now, but it is very much linked to the clause.

The Low Incomes Tax Reform Group, which, as the Minister will know, is an initiative of the Chartered Institute of Taxation, has raised with me some real concerns about clause 35 and schedule 8. It is concerned about the complex interactions of tax-free vouchers with tax credits and child care cost support, the dynamics of which it believes changed again after 6 April 2011. It is important that the Minister responds to its concern about the poor channels of advice for employees and employers about the implementation of the scheme proposed under clause 35.

The group believes that there may have been errors—under the previous Government, I admit—in HMRC's online calculator, and it is concerned about how the implementation of these measures will be taken forward. It is particularly concerned that although the system is designed for fairness, the results that it produces may not be fair. I shall give some examples, if I may, of its concerns about clause 35.

The group is particularly concerned that the clause will remain reliant on interpretation according to guidance published in draft on HMRC's website, which it believes is inconsistent with the clause. I am not making any assessment of the group's judgment call on that matter, I am simply placing it on the table because this Committee debate gives the Exchequer Secretary the opportunity to examine whether that concern is justified. He may be able to provide some comfort by giving his interpretation.

The group has raised the concern that under schedule 8—the schedule will be discussed in the Public Bill Committee, but it is worth mentioning now—the changes will apply only to those whose employer estimates them to be higher rate or additional rate taxpayers at a particular point in time, rather than to those who are actually found to be so by a final assessment. It is important that either now or when we discuss schedule 8 in the Public Bill Committee, the Exchequer Secretary reflects upon that concern and provides some clarity about when the assessment will be made on whether individuals are higher rate or additional rate taxpayers.

We need to know at what stage in the financial year that assessment will be made, who will make it, how much of a burden it will be on employers and employees and whether the figures and facts that HMRC will use in the calculation are sound and to his satisfaction. They must be seen to be just and fair.

The Low Incomes Tax Reform Group has expressed concern that the change may have equality impacts, for example on employees who become long-term sick or disabled, on women or on those who switch to part-time work in the course of the year. It suggests that there should be some flexibility in the interpretation of clause 35 and schedule 8.

The Library has calculated that overall, families will be some £1,700 a year worse off due to the Government's tax and benefit changes, of which clause 35 is one. As my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) mentioned, the Prime Minister promised to lead the most family-friendly Government ever, and I should like to hear from the Exchequer Secretary where the proposal, when linked to the proposals on child benefit and the working tax credit and the others that we know about, fits into the Government's overall strategy for child care.

We accept that there will have to be difficult and challenging decisions, and I reconfirm that the previous Labour Government wished the targeting now set out in clause 35 to progress.

Grahame M. Morris (Easington) (Lab): Is there not also an issue to consider about clause 35 breaking the principle of universality—the idea that benefits apply irrespective of income?

Mr Hanson: There is, and my hon. Friend will know that we have been very clear that the Government's wider proposed changes to child benefit are not fair or equitable, and that child benefit should remain universal. The former Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath, and the former Chancellor, my right hon. Friend the Member for Edinburgh South West, decided that child care was poorly targeted, but that if universality was to be broken, we must provide help and support to the poorest families to ensure that they had child care for two-year-olds. The Labour Government planned some 65,000 to 68,000 child care places as a result of the measures that are now in clause 35. The current Government have accepted those measures in principle, as we did, but unless the Exchequer Secretary tells me otherwise I do not believe they are delivering the outputs that we planned as a benefit of saving resources.

John Cryer (Leyton and Wanstead) (Lab): We know that whenever means-testing is put in place, there is a cost because of the bureaucracy that is needed to administer it. Does my right hon. Friend have any idea how much this particular method of means-testing will cost?

Mr Hanson: My hon. Friend raises an interesting point. That is another issue that we wish to explore not just today, but when we debate schedule 8 upstairs in Committee at a later date. The element of complexity and randomness in the application of the clause has been raised with me by the Low Incomes Tax Reform Group. It is incumbent on the Exchequer Secretary to answer those criticisms before we consent to the clause.

There are choices to be made in tackling the deficit and we must look at the options. The then Labour Government made the same choice, but would have ensured that more child care places were available.

Andrew Gwynne: My right hon. Friend makes his case on clause 35 and says that the previous Labour Government considered the possibility of targeting. However, they did so in the context of a wider range of measures available to families to support them in the upbringing of children. Does he share my dismay that clause 35 is being introduced against a backdrop of absolutely clobbering families hard and removing benefits that have made a huge difference to them in my constituency, and no doubt in his?

Mr Hanson: If I may, Mr Evans, I shall try to touch briefly on the wider policies to which my hon. Friend refers. I am conscious that clause 35 is specific to higher-rate tax relief—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. I am delighted that Members mention clause 35 from time to time, but it is really quite specific. This is not a general debate on child care or indeed on other policies. Perhaps we could focus more on the provisions contained in clause 35.

Mr Hanson: We have known each other since our elections to the House on 9 April 1992, Mr Evans, and as ever, I shall try to keep to your strictures as the good Chairman that you are. You will note that amendment 8, which you did not select, would have prompted a wide-ranging discussion on the impact on child care. I am trying to focus on clause 35 and not to stray into amendment 8 or the issues that my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) touched on. However, those issues are important when we are looking at the impact of clause 35 on a particular group of people, because that same group of people will lose child benefit and a range of other child care support measures because of their income, and that will shatter the principle of universality that my hon. Friend the Member for Easington (Grahame M. Morris) mentioned.

The Opposition will listen to the debate on clause 35, but we might oppose it. However, there are important points to be examined and answered in detail today. First, how do we use the resource? Secondly, how do we implement the policy? Thirdly, will the Minister answer the challenges made by external bodies about the operation of the clause in practice?

Grahame M. Morris: As my right hon. Friend the Member for Delyn (Mr Hanson) has already indicated, clause 35 introduces schedule 8, which contains the provisions for reducing child care relief for higher earners. My understanding is that the latter measure will be dealt with at a later stage upstairs in Committee.

As has been indicated, Labour considered proposing a similar change, but at its heart, it was trebling the number of free child care places available for the most deprived two-year-olds. That is the problem with the Government's measure. The Labour party considered better ways of targeting support for child care to support both child care and the family throughout its time in government, but it seems that the coalition is taking

money away from families completely, without retargeting it at those who are most in need. There is a basic contradiction between Labour's position and that of the coalition Government. Indeed, the Government's policies across the board seem to be an attack on families, and other groups in our society. Under their policies, middle income and working class families are hit harder than those at the top of society, and their policies do not redirect money into better-targeted child care.

3.45 pm

Mr Robinson: Rather than a redirection of money, is this not simply camouflage for a straightforward cut? It is a breach in the universality principle that strikes at the very foundations that hold the nation together.

Grahame M. Morris: My hon. Friend has hit the nail on the head: there is a fundamental point of principle here. I suspect that there is much more in the clause than is apparent that breaks this principle of universality. The debate on clause 35 concerns not only the immediate measure of removing child care tax relief from higher earners, but the course that the Chancellor is charting against families and the welfare state. On child care tax relief, it is worth remembering that it was John Major, when he was Chancellor in 1990, who first introduced relief for employer-supported child care, and as has been pointed out, that was extended by my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) when he was Chancellor. It is right that Labour considered changes to this relief in order to better focus Government support on child care.

The last Labour Government considered tax rate reliefs of this kind. Hon. Members have referred to expert bodies. However, the tax faculty of the Institute of Chartered Accountants argued that it would "be burdensome, disproportionate and open to manipulation and abuse",

so it ruled out this tactic of preventing benefit from being paid to higher earners or excluding them from the system. As I mentioned earlier, the real danger of the Chancellor and coalition Government's tax and benefit policies is that they could push middle Britain out of the welfare state. It is a squeeze on middle England. Taken with the decision to end child tax credits and child benefit for families with a single high-band earner from 2013, it seems to me and Opposition colleagues to be a concerted attack on the fabric of the universality of the welfare state.

In the light of the rhetoric that surrounded the measure, and given that it appeared that the Government were intent on making immediate cuts, it came as a surprise to me and other Opposition Members that when it was announced, it was delayed until as late as 2013. That was a surprise because it seemed to be an attack on a core vote area of the Conservative party—perhaps it is no longer such a core vote area. It was a further surprise that a party that in opposition had consistently called for tax cuts for married couples seemed in government to want to attack them as soon as they had children. At the time—I believe it remains the case today—there was considerable concern that this policy was ill-thought-out, and that it was a party political stunt from a Conservative party and a coalition Government still finding their feet.

John Cryer: Does my hon. Friend agree—this is in line with the intervention from my hon. Friend the Member for Coventry North West (Mr Robinson)—that this badly-thought-out measure is an attack on the collective ethos of society, which is always dangerous?

Grahame M. Morris: I am grateful for that point. Others have made it, and I have tried to echo its sentiments. The Government have the opportunity to rethink the implications of this decision, because implementation is not until 2013, so I hope that the Minister will address that point at the close of the debate. I am sure that hon. Members will recall that when the measure was proposed, Labour was engaged in a leadership election. Perhaps it was an attempt to steal the headlines.

However, from representations that I have received from expert groups, individuals and constituents—I am sure that other Members have received similar representations—it seems that the policy has been shown to be ill-thought out. Whatever one's views about middle England—whether it exists, whether it should be protected—it is crystal clear that the policy will disproportionately affect families with a single high earner. As someone who considers himself a socialist and something of a champion of the working classes and those at the lower end of the income spectrum, I think that there is a basic issue in this debate about justice and fairness. For families with a single high earner and perhaps no second earner, there is a clear injustice and anomaly when compared with a family with two high earners, as both families would lose the same amount.

Julie Hilling (Bolton West) (Lab): I wonder whether my hon. Friend has come across people in his constituency, as I have in mine, who are talking about giving up work—contrary to the belief shared on both sides of the Committee that work should pay and that the best thing for families is for parents to be in work—because of the effect of everything that is happening, including losing child care and the other benefits that higher earners receive. Does he share my view that that is clearly not the best thing for families or our society when we are trying to grow our economy again?

Grahame M. Morris: I am grateful to my hon. Friend: that is a good point well made. There are a number of levels where the Government now have an opportunity to stop, reflect and listen to representations—to steal a phrase from the Health Secretary—about the impact of the policy on the economy. I am sure that that impact was never intended, but it should certainly be taken into account if people now have a perverse incentive not to engage actively in earning a living and making a contribution to society.

Child benefit is a key part of the welfare state, and one that applies the principle of universality to all families in recognition of society's duty to support not just families, but future generations. I had always assumed that that was a cross-party commitment, irrespective of party political allegiance. However, by taking away £1,000 in child benefit and child tax credits from families earning just over £40,000, the coalition Government are damaging our system of welfare for the future. We know—or at least we suspect—that the measure is more to do with trying to undermine the strong support of

middle England and the middle classes for the welfare state. We on the Opposition Benches suspect that the purpose of the measure is to move British politics in a new direction. My concern is that an Americanised system of low taxation with a basic safety net to catch those at the very bottom would be a move in the wrong direction.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. This is becoming more of a general debate about the welfare state, which is clearly not what is dealt with in clause 35, which is actually quite specific. I have given a lot of latitude up to now, but we must now focus on clause 35.

Grahame M. Morris: Thank you, Mr Evans. I shall try to ensure that we focus on the clause.

Let me quote some figures from the House of Commons Library that give some detail on the implications of the clause. The Library has calculated that some families will be £1,700 a year worse off owing to the Government's proposed tax and benefit changes. The Chartered Institute of Taxation has warned of the

“considerable increase in the effective tax burden of those on incomes in the £40,000 to 50,000 bracket”,

which the clause deals with. The Chartered Institute of Taxation also said that

“increasing the tax burden on middle-income households while withdrawing tax credits and child benefit from them will result in their being squeezed proportionately more than those on higher incomes”.

In addition to families on more than £40,000 a year losing benefits, as set out in the clause, families will lose £450 a year on average because of the VAT increase. Added to that, child benefit has been frozen for three years, which equates to a real-terms cut of more than £75 this year for a family with three children, and the baby element of the child tax credit, which is worth £545 a year, has been scrapped. Added together, that all amounts to a quite astonishing attack.

The Chancellor's answer to cutting the deficit has been to shrink growth and cut support for families and the most vulnerable. In my constituency, take-home pay is almost 20% lower than the national average. Young men and women have struggled to raise families in my area, which has been blighted by unemployment for more than three decades. The previous Government not only provided greater financial support for those struggling families; they also invested in schools and communities, and tried to revitalise and diversify the economy and create new jobs. The programme offered by this Government, and particularly the provisions in clause 35, will turn the clock back to the 1980s, not only for Easington and large parts of County Durham and the north-east but for many of the great cities in the north and for many people who aspire to raise themselves up and to progress.

My contention is that the clause breaks with the principle of universality and that that is likely to be followed up with tax cuts as a pre-election sweetener. In that way, the Government are beginning the process of undermining our welfare state, which they appear to have opposed in one form or another since its foundation 60 years ago. The last Labour Government significantly increased income-related support for families through tax credits, and they also systematically increased child

benefit and maintained their commitment to progressive universalism. The Chancellor has frozen child benefit for three years, ditched progressive universalism and hiked up VAT—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. The hon. Gentleman is now going much wider than clause 35. Does he wish to resume?

Grahame M. Morris: Yes, I will try to bring my remarks back to the clause.

I am fully aware that the amendment that was tabled in the name of my hon. Friends on the Front Bench was not selected—*[Interruption.]* We shall not be able to talk about it in the debate. Getting back to clause 35, we would require the Government to look at how their policies of tax and spend are affecting families right across Britain—

The Parliamentary Under-Secretary of State for Education (Tim Loughton): Have you read the clause?

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Will my hon. Friend give way?

Grahame M. Morris: I will happily give way to my hon. Friend.

Ms Abbott: Does my hon. Friend agree that all Labour Members have read the clause and that it is precisely because we have read it that we are so opposed to it? It is also important, in giving our opposition its full flavour, that we put it in context.

Grahame M. Morris: I am grateful for that intervention. My hon. Friend makes a reasonable point. All that we are trying to do is give the Government a chance to reflect on a bad decision that has been made in haste, and to look at the impact that these measures will have on families. That is not a revolutionary approach. It seems quite reasonable to me. The Government will have ample opportunity to reflect on these matters, because the provisions will not be implemented until 2013. Were they to do so, I hope that that would provide the impetus for a wide-ranging debate on whether the coalition will push ahead with its policy on child benefit and child tax credits, and on what the implications of that will be for families, for the broader economy and for society.

Mr Robinson: I am conscious of your strictures, Mr Evans, and I am in no way challenging the Chair, but I understand the difficulty that my hon. Friend is having in considering clause 35 on its own. It can be considered only in the wider context of the other measures that together amount to an attack on families by a Government who said that they were going to be the most green-friendly Government ever—never mind the most friendly Government ever. It is the cumulative effect of all those measures that makes those claims so vainglorious and empty. That illustrates the difficulty that my hon. Friend is having, and that I would have if I were to contribute to the debate, although I would try to be a little stricter if I could. We cannot isolate the clause from the whole package of proposals that will compound the effect of this one.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): I thank the hon. Member for his advice, which I am not going to take. We are talking very narrowly about clause 35.

Grahame M. Morris: I am sure you will be pleased to hear, Mr Evans, that I shall conclude my remarks in a few moments.

4 pm

Mr Hanson: Does my hon. Friend accept that the original proposals of the previous Labour Government to increase the number of child care places for two-year-olds in the poorest areas would have benefited Easington, County Durham and many other poor areas in the north of England, as it would have benefited similar parts of constituencies elsewhere? That is why we are focusing on the impact of clause 35 not just on tax relief for higher earners but in respect of what could have been done with the spending.

Grahame M. Morris: I am glad that my right hon. Friend has taken the opportunity to place that excellent point on the record.

I hope that the Government will take the opportunity to take a breath and reflect further on clause 35 rather than digging into the position announced last October, as the provisions will not be implemented until two years from now. Why does the Chancellor not agree to look again at the effect of his taxation policies? He has an opportunity to do so before 2013. He needs to reflect on the impact of the removal of child care tax relief, child benefit and child tax credits, which, taken together, mark an attack not just on families but on the welfare state as a whole.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): I now have to announce the result of the deferred Division on the Budget report and the UK's convergence programme. The Ayes were 249 and the Noes were 139, so the Ayes have it.

[The Division list is published at the end of today's debates.]

Andrew Gwynne: It was not my intention to speak in the clause 35 stand part debate. Having listened to my right hon. Friend the Member for Delyn (Mr Hanson) and my hon. Friend the Member for Easington (Grahame M. Morris), however, I have decided that it is important for me to do so.

As has already been said, the clause introduces schedule 8, which introduces changes to the higher rate taxpayer relief for child care. That was first announced by the Government and, as my right hon. Friend the shadow Minister said, Labour does not oppose it, except for the important point—I bear in mind your earlier strictures on not extending the debate too widely, Mr Evans—that the measure has a wider impact on the Government's child care policy and how it fits in with the Budget measures.

I have some sympathy with the notion of expanding child care places for two-year-olds. The previous Labour Government made greater provision for early years education, which has been incredibly beneficial to those children. I declare an interest in that all three of my

[Andrew Gwynne]

children went through early years education under a Labour Government and, thanks to that Government's investment, they are doing brilliantly at primary and secondary school.

Ms Abbott: Would my hon. Friend care to share with the Committee the name of the primary school?

Andrew Gwynne: I am happy to say that all three of my children went to St Anne's primary school in Denton, where my wife, who is up for election tomorrow, is a chair of the governors. My eldest son goes to Audenshaw high school, which is also in my constituency, and all my children are getting a first-class education in those schools.

Let me return to clause 35, Mr Evans, for fear of being told off by your good self for straying too wide of the issue. The issue, for Labour Members, is this. We support the extra investment in child care for two-year-olds, especially in constituencies such as mine. Denton and Reddish is quite a deprived constituency, which covers five wards in the Tameside metropolitan borough—which is, I believe, the 52nd most deprived local authority in England—and the two Reddish wards in Stockport, which, although Stockport itself is a much more prosperous borough, are the two most deprived wards in the constituency. Investment in early-years education has made a big difference to young people in constituencies such as Denton and Reddish. I would particularly welcome extra investment in nursery education in those deprived communities and, indeed, the Labour party proposed to provide it. I am pleased that the present Government are pressing ahead with a change that we proposed when we were in government.

Where we differ is in our approach to targeting. My hon. Friend the Member for Easington made a valid point about that. Although I understand the arguments for targeting as a way of ensuring that communities such as my hon. Friend's and mine receive the benefit of extra early-years provision, some constituents who are better off than the average in my constituency tell me—and it is difficult to argue against what they say—that they pay considerably higher taxes and pay into a welfare state system, and that they expect to get at least something in return. Those payments are their buy-in to the universal welfare system. I take on board your strictures, Mr Evans, but I also take on board the points made by my hon. Friend.

John Cryer: What concerns me about the changes is their incoherent nature. It appears that there have been knee-jerk reactions to save a bit of money here and a bit of money there. I fear that the Tory party may be moving from being, as Disraeli said, the party of organised hypocrisy to being the party of disorganised hypocrisy. For the benefit of Government Members, incidentally, Disraeli was a Prime Minister, and a Tory Prime Minister.

Andrew Gwynne: I entirely understand what my hon. Friend has said. There is a real inconsistency in the Government's approach. While I think it commendable to raise additional money to target early-years provision, particularly in constituencies such as mine, I also think that the Government's so-called family-friendly approach

is deeply questionable. As I said earlier in an intervention, when the Prime Minister was Leader of the Opposition he made it clear that he would be proud to lead the most family-friendly Government in history. Whether the Government are family-friendly is, of course, a matter for debate and conjecture. I can only say that the constituents who regularly come to my advice bureau seem to have been clobbered time and again by the changes that the Government are implementing, many of which—

The First Deputy Chairman: Order. The hon. Gentleman is much too wide of the mark again. If he cares to look at page 21 of the Bill, he will see that clause 35 is only 11 words long and is drafted quite precisely. Will he now please focus on the clause?

Andrew Gwynne: I will do so, Mr Evans, and I take your point precisely.

Mr Robinson: We are not opposing the 11 words per se. [Interruption.] We are not going to vote on them, to my knowledge. The point is that the expansion of child care for two-year-olds is not funded, and that is what the whole of our modification to the existing legislation was intended to do. Does my hon. Friend agree that that is the problem with this legislation?

Andrew Gwynne: Absolutely. The funding of these measures needs to fit within the wider context, as set out perfectly eloquently by my right hon. Friend the Member for Delyn (Mr Hanson). He was given a certain degree of leeway by the Chairman to put all this in the context of the wider changes that this Government have introduced on family policy.

Clause 35 goes some way towards dealing with the issues raised about tackling child poverty. The clause intends to ensure that extra resource is released for early years provision, and we support that. As I said, we proposed to do that when we were in government and, as my right hon. Friend mentioned, it highlights the real progress that was made on tackling child poverty during the Labour years, as was highlighted in the OECD report. I do not know whether the clause will have any impact on the Government's ambitions to tackle child poverty, because that remains to be seen, but some of these changes could well start to have an impact. The explanatory notes state:

"Approximately 450,000 parents currently qualify for the relief."

I am sure that the Treasury stands by that figure, as it produced the explanatory notes. Those 450,000 people will be concerned about these changes and the Government will have to answer the question that they will be asking: what do they get out of the system? If they are to miss out on this relief as a result of the Government's changes and the extra child care places are targeted, the Government will have to deal with the points that my hon. Friend the Member for Easington (Grahame M. Morris) was answering on the general principle of universality.

Having said that, it is important that this Government maintain a commitment to early years education. There is a degree of consensus across the House on the benefits of ensuring that children can start their education as young as possible, whether or not that is education through play in the context of early years provision—I

think that we probably all agree on that. I note that the Under-Secretary of State for Education, the hon. Member for East Worthing and Shoreham (Tim Loughton), who has responsibility for children, is in his place. During the last general election campaign he visited a Sure Start centre in Horton Green, in my constituency, with the Conservative candidate. He also had his photograph taken outside my house as part of that campaign, and I was pleased that the then Opposition had visited a Sure Start children's centre in my constituency. That underlined the background motive of the clause, which is to ensure that more resource is put into the early years.

However, as my right hon. Friend the Member for Delyn made clear, people have concerns that this Government are not family friendly, because what they are giving with one hand, they are taking with another. Many of the measures that they have introduced in this Budget, of which clause 35 is part, are deeply damaging to families.

Mr Hanson: As I mentioned in my speech—it is further confirmed by the Institute of Chartered Accountants in England and Wales—the provision in clause 35 is based on an estimate of whether the employer will have earnings that exceed the higher rate limit on a particular payday. That causes some difficulties with fairness because there will be people who work part time, who change circumstances or who are on maternity leave for part of the year and the implementation of this is as potentially worrying as the policy—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. The shadow Minister is talking about the schedule, which, as he knows, will be discussed in the Public Bill Committee.

Andrew Gwynne: Having heard your ruling, Mr Evans, I would not wish to stray on to the issue of the schedule. Suffice it to say that HMRC is often very good at making a complicated system far worse, as we have seen in the past with tax credits. That is straying quite wide of clause 35, however.

Let me bring my comments to a close. The Government's intentions are good—they want to invest more in early years—but I think they are going about it in the wrong way. Their wider family-oriented policies are deeply flawed and clause 35 fails the fairness test. We need the Government seriously to rethink the range of family policies that they have introduced in the Budget, of which clause 35 plays an important part.

4.15 pm

Ms Abbott: I am grateful to have the opportunity to say why clause 35 should not stand part of the Bill. As my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) said, the fundamental problem with the clause, which in principle at least the outgoing Labour Government were going to promote, is that in its new guise it fails the fairness test. As we go into election season tomorrow and tomorrow night, the fairness of what the Government are doing will be foremost in our electorate's mind.

Clause 35 deals with higher rate taxpayer relief for child care. In Hackney, I represent one of the most deprived areas of the country but I do have some higher rate taxpayers. It being Hackney, my higher rate taxpayers

are people of discernment and intelligence and they are Labour-voting higher rate taxpayers, but none the less my concern overall is for the most deprived in our community.

When clause 35 is stripped of any pretence of helping low-income families with child care, it is astonishing to see that this Government should so nakedly seek to attack many of their supporters. It is unthinking, chaotic and disorganised and it is not even politically coherent. When we put it in the context, as my right hon. Friend the Member for Delyn (Mr Hanson) sought to do, of the other changes in taxes and benefits that will affect middle England—the cuts in the amount that parents can claim for child care, the freezes to child benefit, the changes to the baby element of child tax credit, the freezing of the basic 30-hour element of working tax credit, the changes to the second income threshold for the family element of child tax credits or the withdrawal rates for tax credits—we see a frontal financial assault on middle England, the very people who the Government will look to for support not just in the local elections in 24 hours' time but as they move forward.

Why are the Government seeking to attack middle England in such a way? Is it because we have a Cabinet of millionaires? Do they not understand what it is to struggle to make ends meet, even on a relatively middling salary in a relatively middling condition of life? Is it ignorance or uncaringness about how the majority of people live? Who knows: there can be no question but that as the totality of the changes to taxes and benefits as well as the job losses in the public sector come to the attention of middle England, it will be hard for those people to understand or believe that the Government have their interests at heart.

Another significant consideration about clause 35 and the suite of changes to child care, family tax and welfare issues is the effect they will have on women. One reason why issues such as tax relief on child care and particularly child benefit remain so emotive in public discourse is that they go back to the original child benefit which some Members might remember was paid to the mother, who had her own child benefit book. For many mothers, that was the only money of their own that they had—that was certainly the case in my family. Even though those payments are now paid through the tax system and to the family as a whole, these are still emotive issues in ordinary families who remember the old child benefit system and remember that the money went to mothers. The reason why it went to mothers was that it was always understood that child benefit was an effective benefit because mothers spent it on their children.

With a Cabinet of millionaires, the Government do not understand how middle England is struggling. They do not understand how people in middle England fear for the future even if, on paper, they have good salaries and good jobs. They do not understand the emotive content of issues such as child benefit and child tax credit to ordinary women in ordinary families. Ordinary women are looking at the totality of the changes that the Government are making and asking, "Do they really understand my life? Do they really understand what it is to pay bills at the end of the month or to juggle a job and child care and to support the rest of my family?" When one looks at clause 35, presented naked, without the commitment that we had to help lower-paid

[Ms Diane Abbott]

families with child care, the answer seems to be that, no, they do not understand. The Cabinet of millionaires does not know what it is to be in the middle and to feel as though you are just one wage packet away from a really difficult situation.

In the past decade, middle England has been encouraged to over-leverage itself and facilitated in doing so, and people are now trying to down-leverage by paying off more of their credit cards and trying to bring down their burden of debt. The Government may say that the £1,000 that people will lose because of changes to this tax relief is only a small amount, but for someone who is juggling their salary to pay off debt, worrying about paying their children's tuition fees as they go through university and also worrying about how to pay for the care of elderly family members, that money will make the difference between their sums adding up or not adding up at the end of the month.

The Government's lack of understanding of the reality of life for many ordinary British people, even those who are, on paper, so much better off today, such as some of my constituents in Hackney, shines through in the clause and in the thoughtless and heedless way in which the Government have brought the measures forward. They have not sought to balance them with measures that might help the poorest, although that might have helped middle England to understand why the changes are being made. Currently, given the way in which the measures are being introduced, all that middle England can understand is that the Government do not understand what a struggle it is for middle-income families, and even some families in which the sole wage earner is a higher rate taxpayer, to make ends meet. Of course, similar proposals were originally brought forward by Labour, but in a very different context. Clause 35 has been brought forward in the context of a series of other measures that will also have an impact.

Mr Robinson: Not only were the Labour proposals brought forward in a different context, but the Labour Government were going to use the money to extend child care for two-year-olds in the least well-off families. Is not that the whole point? Is it not strange that the Government, who are so concerned about cost-effectiveness and getting the most out of every penny they spend, do not realise that all the studies show that the earlier an intervention is made the more effective it is? By not doing what the Labour Government wanted to do and extending that child care to two-year-olds, they are denying themselves the very basis on which they could have realised that principle.

Ms Abbott: That is an important intervention. This is a Government who know the price of everything and the value of nothing. Had they been willing to continue both halves of our policy—taking away tax relief for higher-income taxpayers and extending child care to two-year-olds for low-income families—in the long run, they would realise a cash benefit. I know from my own constituency that the earlier we can make an impact on people, the earlier we can give families support with properly funded child care, the sooner we can save the state money on education and a range of social issues. As I said, these are people who know the price of everything and the value of nothing.

Clause 35 is the shell of something that the outgoing Labour Government introduced, but it lacks the counterbalancing measures that we were going to introduce. It reflects a Government who do not understand that families are struggling in the current climate, and who do not understand the significance of those tax and welfare arrangements for women. They will pay a price for that lack of understanding in the local elections tomorrow, as middle England looks on the Conservative-led coalition and says, not that this is the most family-friendly Government ever but that this is the most middle-income-family-hostile Conservative-led Government ever.

Kate Green (Stretford and Urmston) (Lab): I am pleased to speak in this stand part debate. I, too, want to express concerns about the proposals on child care, particularly the intention to change taxation.

It is not the change to taxation in relation to child care with which I wish to take issue but the broader context of funding and provision for child care, and the lost opportunity that the clause represents. Opposition Members accept that in straitened financial circumstances it is appropriate to look at the taxation system and tax breaks for higher earners and better-off families, and that it may be appropriate to rebalance the tax take and those tax breaks. However, we believe very strongly that there are better ways to redistribute—a word that is perhaps more popular among Opposition Members than Government Members—that money for the benefit of families and children and, in relation to clause 35, to achieve adequate child care provision.

Mr Robinson: Did my hon. Friend attend Prime Minister's questions, given that she said that “redistribute” was a word heard more often among Opposition Members, and redistribution is perhaps a policy more often pursued by the Opposition. The Prime Minister ruled out redistribution almost unilaterally as a means by which we could help—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. I listened to the Prime Minister at PMQs, and I did not hear him refer once to clause 35. This is rather specific. I know that the hon. Member for Stretford and Urmston (Kate Green) wants to talk about the broader generalities, but that is not what clause 35 is about; otherwise the debate would be very general indeed.

Kate Green: I am grateful, Mr Evans. I am mindful of the provisions in clause 35, which is specifically about taxation and tax breaks for child care. This is about redistribution, and I will say in passing—just one sentence, I promise—that I am proud of Labour's record on redistribution. We do not talk about it as loudly and proudly as we should in my view, but a set of redistributive policies since 1997 took 600,000 children out of poverty.

To return to the meat of the clause, I am proud of the way in which we redistributed spending in favour of families and children, particularly the spending that we directed towards building significantly increased child care provision. That is a significant creation of child care provision. It is not perfect, as a number of families are still not provided for, but by any measure it was a step change in provision and a fundamental change in the child care landscape which resulted from Labour policies over the past 13 years.

4.30 pm

This is not a matter of contention across the House. We are all proud of Sure Start. Across the House I see hon. Members welcoming the Sure Start facilities in their local community, filled with admiration for the way they can support young parents and families, and filled with admiration for the way they can be a hub of children's and family services in the community. It is common ground across the House that Sure Start has been an incredibly valued addition to the landscape of support for families with children. That has assisted and will continue to assist, I hope, with so many of the Government's goals in relation to social mobility, improving attainment, raising aspiration and so on—a point to which I hope to return in the course of my remarks.

I am also extremely proud of the free nursery provision that we introduced for three and four-year-olds, and pleased that the Government are extending that to two-year-olds. I certainly welcome that extension, but I have not been able to find very much else to welcome in the Government's investment in child care. That is why I say that clause 35 is a lost opportunity. It would have allowed more funding to be directed to child care provision and to extending child care provision. It is a regret and a shame that that is not happening. As a result, the challenges that we continue to face in providing good quality affordable and accessible child care to all parents and their children who want it have, regrettably, not been met.

Ms Abbott: Does my hon. Friend agree that the failure to grasp the opportunity to redistribute income in favour of child care for some of our more poorly paid families is the more surprising, given that the Tory-led coalition allegedly believes in the big society? What more important anchor of the big society is there than high-quality child care?

Kate Green: My hon. Friend is right. She highlights another of the Government's key strategic objectives, an objective that commands great support and interest across the House, but the Government fail to put in the infrastructure and the investment that would enable them to deliver such an objective. Again, that is a matter of regret.

Any parent will say that child care remains an enormous challenge for families, particularly in terms of helping parents to access the labour market, but much more broadly than that. We know that UK parents already pay the highest child care charges of any parents in the OECD. That is probably why in the OECD report just last week on progress on child poverty across the OECD nations, it was specifically identified—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. This is turning into a general debate on child poverty and that is not what clause 35 is about. It is about higher earners. I am sure the hon. Lady has read the clause. Will she speak just to clause 35, please?

Kate Green: I beg your pardon. This was not intended to be a general discourse on child poverty. There was a specific reference in the OECD report to the importance of child care, and it is specifically that element of the report that I feel is relevant to the clause, but I entirely

accept that we are discussing the implications particularly of the provision to remove the tax break for higher earners. My point is what do we do with that money? That must be a financial consideration too.

Mr Robinson: Does my hon. Friend agree that a big opportunity is missed to extend more widely the provision of child care for two-year-olds? That is directly relevant to clause 35. In my constituency, for example, there are two child centres that already have facilities in place for that extension, which cannot be funded because the Government have decided not to pursue the policy that we had in mind. That could have been the basis for using those facilities, which now lie idle.

Kate Green: Indeed, and that does not make good fiscal sense. It cannot be sensible for public money to be invested but then not exploited for the benefit of the community, those families and, indeed, the economy. In the context of this Finance Bill debate, that surely has to be at the heart of our scrutiny of its clauses.

It is also important that we understand just how much is going on to make it even more challenging for parents to afford child care, and therefore why it was all the more important to use the funding that the tax break before us is saving in order to replace some of the funding that is being lost for the provision of child care.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. Just to inform the House, I am not going to allow a general debate, either, about what the money could have been spent on. We are talking about the merits, just simply, of clause 35.

Kate Green: I am grateful.

What is important about the legislation behind clause 35 is that it retained all parents, higher-income parents as well as lower-income parents, in a single integrated child care market. It ensured that all parents received some financial support that helped to create, expand and ensure the quality of that market.

When lots of families participate in a child care market, the market is sustained, secure and improved in terms of what it can offer to families, and that is important for raising the aspirations of families and children, a particularly important strand of the Government's social mobility strategy. If we are to remove higher-income families from the ambit of the child care market, and Opposition Members all understand why the Government might choose to do so, it is very important indeed that we recognise the potentially deleterious effects on the quality of the child care market for those families who remain within it—those families whom we want to remain within it because of the improvements that it can secure for children's outcomes. Importantly, therefore, when removing that tax advantage we must be very careful to ensure that we compensate for any damaging effects that its removal might have on the general landscape of child care provision, including its quality and its availability for other families who remain within its ambit.

This is very much a debate in the context of a Finance Bill. It is therefore a debate about what works most effectively for the economic strength of the country, and it is very much a debate about how best we come through the recovery and start to promote the return of

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the growth that we all hope to see. We have just begun to see it return hesitantly and slowly, but we now want to see it improve.

Ms Abbott: My hon. Friend touches on the fact that this is a debate about clause 35 of the Finance Bill, but it is also about how we as a society get through the current financial crisis. Does she agree that one way we will get through the current financial crisis is by something that clause 35 undermines: social cohesion and the principle of universality? To have the clause without the counter-balancing arrangements of child care for two-year-olds and the lower paid is to undermine the process of social cohesion, the only way we will get through the current financial crisis.

Kate Green: My hon. Friend leads us into really important territory: the issue of universal provision. If we are going to start to eat into that universal approach, for good reasons, we have to be very mindful of and careful about the consequences, so my hon. Friend is right to highlight the consequences for social cohesion, which is a key fundamental of good economic growth.

We are not going to do well as a national economy if we have to compensate all the time for a fractured society, a society of strains and tensions, in which the public pick up the cost all the time in order to remedy the damage that that causes. My hon. Friend is therefore absolutely right to point out that undermining the universal approach has potentially dangerous consequences for our economic performance down the line—*[Interruption.]* I sense that the Chairman fears that I am straying slightly—

The First Deputy Chairman: Not slightly!

Kate Green: Not slightly—straying from the ambit of clause 35.

My hon. Friend's point is correct: fundamentally, the clause removes a universal approach, an approach that keeps everyone in the context of the child care market and the wider social community. That is a really important point.

It is also important to recognise that we are talking about developing children's long-term economic potential. I do not like to think of our children as future economic actors—I like to think of them enjoying and making the most of their childhood now—but they are the next generation of providers and sustainers of our economy and community care for us in our old age. Removing this financial support from some families and not placing it in the child care market means that some children will be more likely to lose the advantages that good-quality, professional, formal child care can bring.

Andrew Gwynne: My hon. Friend is adding great expertise to the debate with her background in this area of policy. Although clause 35 was a mechanism that was suggested by the previous Labour Government, is not the difference between our approach and that of the Government that we would have invested the money raised back into child care provision?

The First Deputy Chairman: Order. I am not going to allow any further discussion as to what the money could have been spent on. This debate is simply about clause 35.

I know that the hon. Lady has expertise in this matter, so I ask her to restrict herself to clause 35, which relates to higher earners' child care.

Kate Green: I am grateful, Mr Evans. I was mindful of your earlier injunction not to stray into a discussion of what the money be spent on, and I do not intend to do that.

Ms Abbott: Will my hon. Friend give way?

Kate Green: In a moment.

I should like to talk about what this provision will mean in terms of the number of children likely to access good-quality child care provision in future. The knock-on effect of clause 35 will be that not only the children of the families from whom this tax break has now been removed will be affected, but so too will the increased number of children who will fall out of the ambit of affordable, good-quality child care. I say that not only because of the importance of a universal market that tends to raise quality and aspirations but because starting to chip away at the money that is flowing into this market, which will inevitably happen, means that some parents who are currently able to afford to access the formal child care market will decide not to do so.

As money starts to be withdrawn from the market, provision generally will start to be reduced, and in turn other parents will find it more difficult to access it, whether or not they have financial support from other measures such as the child care element of the working tax credit to enable them to do so. Then we will be in a downward spiral. By removing funding at the top but not putting it back elsewhere, we start to shrink the child care market, and the more it shrinks the more it continues to shrink. The problem with this market, as we have seen again and again, is the insufficiency and unpredictability of provision, and those elements will be put under further pressure because there will be less money to sustain the market even at the current levels.

I am conscious that a couple of my hon. Friends wanted to intervene, and I do not want to deprive them of the opportunity to add their comments if they would still like to do so.

Ms Abbott: I have listened with great interest to what my hon. Friend has said about the effect of clause 35 on the child care market, which is very germane to the discussion. We heard from the Chancellor of the Exchequer many months ago that we were all in this together. What message does clause 35 send to people? It says to higher income tax payers that they are not in it with everybody else, and it says the same to the very poorest families with two-year-olds who will not get the improvement in child care that we would have promised them. That is a very divisive, non-communitarian message.

Kate Green: My hon. Friend is right. We are beginning to say that child care is only for some children, not for all children. Yet we know that it is universal, mixed child care settings that produce the best outcomes for the most disadvantaged children. It is key to social mobility and to raising aspiration that children engage with other children in mixed child care and educational settings. The clause will make further inroads into that approach.

4.45 pm

Mr Hanson: Does my hon. Friend agree that the context in which the Labour Government decided to restrict the tax relief on child care for higher earners, as under clause 35, did not include the proposal to freeze and then cut child benefit for higher rate taxpayers? The context is therefore entirely different, even though some of the objectives in clause 35 are similar to those of the previous Government.

Kate Green: My right hon. Friend is right. Family budgets are under pressure, including the family budgets of higher-income families. They are under pressure from the serious and regrettable attack on the universal principle. The means-testing of child benefit at the top will put those families under financial pressure. We know, too, that families are facing higher living costs. We have talked in other debates about the rise in living costs, through VAT, fuel prices, food prices and so on. Families that are suffering the loss of a tax break for their child care costs are also seeing other costs going up.

Child care costs themselves will continue to rise. I cannot recall one year since the Daycare Trust began its annual survey of child care costs when they came down. It is highly likely that they will continue on an upward trajectory, and on a dramatic upward trajectory in some parts of the country. That is certainly the case in London, as it has been for a number of years.

Mr Hanson: Is my hon. Friend aware of any consultation that has taken place since the previous Government's proposals on the restrictions in clause 35? The landscape has changed since the original discussions. Does she think that there should be wider consultation on this matter?

Kate Green: Of course, my right hon. Friend proposed a full review of the overall impact of the Government's provisions on child care. Naturally, a full review would be informed by the fullest possible input from experts in the field, including child care professionals and providers, families and even children and young people. I certainly am not aware of any such consultation or discussion.

It would have been very useful if the Government had carried out such a consultation, because they would have begun to understand the impact of this provision not just on individual families but on the child care market. The impact of clause 35 on the child care market is just as important an issue because of the wide social and economic consequences that it will have for the Government. I am confident that a proper consultation at this point, taking account of the economic context and the other financial measures brought forward by the Government in the emergency Budget, the spending review and this year's Budget, would produce useful input from experts and families on the pressures and stresses that would be faced, and on the consequences they would have, not least on the propensity to take, extend or remain in paid work. I think we can all agree that paid work will be key in getting our country out of recession, and into recovery and economic growth.

Mr Robinson: Listening to my hon. Friend, it is clear that she has an in-depth knowledge of this sector and of how child care can most effectively and cost-effectively

be used. Reflecting on her experience, does she see any economic rationale or moral principle underlying the idea inherent in clause 35 that if only one parent is working and is in the higher rate tax bracket, they are not eligible for child care, but if two parents are working, they are? That seems to be a perverse incentive. All it will do—this is why some Labour Members had reservations about our Government's policy, which led to clause 35—is to put higher rate taxpayers in the same position with child care as they choose to be with comprehensive schools, whereby they do not bring their middle-class, extreme commitment to them. We will force them out of the national provision of child care and create social division as opposed to greater social cohesion.

Kate Green: I am confused by the Government's direction of travel, specifically on the clause and on its interaction with their other choices about financially supporting parents to make or not to make decisions about child care, such as whether both parents in a couple go to work or whether one parent stays at home to care for the children—the Government's preferred model that we seem to see in the development of universal credit and the different treatment of lone parents and parents in couple households, as well as in the differential support that the Government want to provide for child care that is targeted at the most vulnerable people. We might say that clause 35 is part of that package.

The Government have welcomed the work of my right hon. Friend the Member for Birkenhead (Mr Field), who suggested that bringing all children within the ambit of Sure Start, for example, is good for communities, families and children, so I am also confused about the philosophical direction of travel that the Government are taking in relation to child care. Indeed, I am forced to conclude that there is no philosophical direction of travel. There is entirely opportunistic fiscal decision making—grab a bit of money here, take a bit of money there, forget those families over there—that might save the Government some money in the short term, but it will be absolutely disastrous in the long term for our economic future and for children's outcomes.

Grahame M. Morris: I wonder about the specific impact of clause 35 on bankruptcy and personal insolvency, given the loss of tax credits for middle-income families who will be faced with quite considerable personal burdens. That is part of the transfer of debt from the state to the individuals in low-income families, as highlighted by my hon. Friend and by my hon. Friend the Member for Walthamstow (Stella Creasy). The Insolvency Practitioners Association highlights the rapid increase in the number of personal insolvencies and bankruptcies, and perhaps the increasing cost of child care will be a factor—

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. Interventions must, by definition, be short. That was wide of the mark and does not need a response.

Kate Green: We are aware of the difficulty in planning the paying for child care. Parents are often required to pay a lump sum at the beginning of term or for a group of sessions. They are often required to pay for sessions that they subsequently cannot use for various reasons, but there is no money-back guarantee. Parents will

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often pay for sessions for more than one child, but there is no financial advantage to them; there is regrettably no bulk discount when buying child care.

Removing money from parents that they could have used to meet some of the burden and the lumpiness in the structure of the way that child care charges are often levied will be a real financial burden on family budgets. Some families will take on debt to meet those commitments, because parents will always try to put their children's best interests first. If they are happy with their current child care setting, they will do all that they can to keep their child in that stable child care place.

Even if parents are worried that they might be unable to afford that place because of the loss of the tax advantage but can see a time coming when they could resume paying for that place, they will none the less not want to give up that child care place. If they think that they can afford the place again in six or 12 months' time because their economic prospects might improve, they will stagger on through those six or 12 months, desperate to keep their child in that child care place for two reasons. First, they know that child care places are like gold dust and that, if they give one up, they might not get one back again very easily. That is certainly the case in some parts of the country. Secondly, they know that it will be good for the child. If a child is thriving, doing well and prospering in a settled, high-quality child care place, a parent will make all sorts of sacrifices elsewhere to sustain that child in that place.

Andrew Gwynne: My hon. Friend has hit the nail on the head. Is not the underlying impact of clause 35 that the Government know that, although the allowance will be taken away from higher-rate taxpayers, many of those parents will still fund those places and make sacrifices elsewhere in their family budgets?

Kate Green: That is right. There is plenty of evidence that parents, especially women, will always make financial sacrifices for their children's well-being. We should be concerned by the fact that families will have to stagger under considerable financial pressure for the best of reasons—to keep their children in good-quality child care places. They know that that will help their children's well-being, because they will be happy and enjoy their child care setting and the friendships and relationships that they make there. Let us not underestimate the importance of social interaction in child development, and good-quality child care can offer that.

Parents will do everything they possibly can in the interests of their child's well-being and happiness. They will do everything to hold on to a good-quality child care place, even if they find themselves under financial pressure, possibly for a prolonged period. That has a knock-on effect elsewhere in the family budget, which might lead to the problems of debt, financial difficulty and stress that my hon. Friends have mentioned.

Financial stress among parents tends to feed back into children's well-being, and children become aware of it in the household. They are aware of tensions and anxieties in their parents' attitudes and behaviour. We have to understand how central good-quality, sustainable and stable child care is to children's much wider well-being.

That is why it is of concern that funding for that child care provision is being eaten away at by the provisions of clause 35.

There are opportunities to compensate for what is happening within the market. I particularly highlight the need to ensure that we maintain a supply of well-qualified child care workers, because pressures elsewhere in the public finances may mean that we see fewer good-quality child care workers coming through from training. Indeed, the loss of education maintenance allowance may have an impact on that. There are real concerns among parents about the nibbling away at the different pillars of the child care market.

When we ask parents what they worry about in balancing the family budget, they repeatedly highlight the high cost of good-quality child care. They do not want to buy poor-quality child care if it is at all possible to avoid it, because they are mindful of the value of getting their child into a high-quality, professionally run child care setting with excellent developmental and social activity, which the children can enjoy and in which they can flourish. Parents know that quality costs, and they do not want to compromise or cut corners when it comes to their children's well-being, so they want to spend all they can on quality care.

Mr Robinson: Does my hon. Friend agree that one of the encouraging things that took place under the previous Government was that the quality aspect of Sure Start and child care provision was emphasised right from the beginning? Expansion was not allowed to go unchecked—it could only follow the existence of quality. That high quality has, on the whole, been maintained, but of course it is now under threat from the cuts.

Kate Green: We are worried about whether the quality of child care will be maintained as less funding becomes available in the child care market. Achieving quality is partly about ensuring that children from mixed backgrounds—

The Temporary Chair (Dr William McCrea): Order. The hon. Lady is aware that Mr Evans has drawn her attention to the narrow nature of the clause. I am sure that she would like to get back to the clause as soon as possible.

Kate Green: Of course, Dr McCrea. I was simply going to make the point that quality is partly about diversity and about children from a range of backgrounds and settings being able to meet, play and learn together. One of the consequences of clause 35 is that we will see less of that.

There are a lot of stresses and pressures on the financial support for the child care market, and they will also be felt in families as parents struggle to pay what is typically a very substantial proportion of their regular monthly outgoings. Child care takes a big bite out of the family budget. I am sure all hon. Members are familiar with parents who say, "It's almost not worth my while going back to work by the time I've paid my child care costs," but those parents want to go back to work, because they recognise that that is in their long-term interest and that of their children. It is also important to our national economy that parents continue in the workplace.

5 pm

Parents accept that a substantial chunk of the gain from earnings could go towards meeting their child care costs. It is none the less incumbent on us to do all we can to mitigate the effects of meeting those high child care costs by ensuring that we put as much public funding into child care provision as we possibly can. I am therefore very concerned that the single effect of the clause is to take public money out of child care provision. Obviously, that will have many, widespread and damaging effects on the child care market, but in due course, it will also have those effects on children's well-being, and ultimately on economic growth.

The Government have taken a decision of the previous Labour Government—a decision that was taken with regret and reluctantly, but none the less necessarily in the current economic context—to remove a tax break from some families. However, I very much regret that the current Government have not redeployed that financial gain elsewhere into a marketplace that is essential to our future economic growth and to our children's well-being, both during their childhood and right through to adult life.

Frankly, I am shocked that we can be so casual about sustaining hard-fought for, hard-won public investment in child care. It took my hon. Friends a long time—certainly all of my adult lifetime—to give child care any credibility in the public finances. I pay tribute to my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), who did an enormous amount of work on that, going back to the 1980s. It is greatly disappointing that the gains that took 20, 25 and 30 years to make are being unwound so quickly, in a matter of months.

That is why I cannot support clause 35, or indeed any other aspect of the Bill, and why my right hon. and hon. Friends will fight hard to reinstate funding to the child care market at the level that we got it to. I am grateful for the opportunity to come to the Committee today to speak up for our children.

Mr Gauke: Clause 35 makes changes to ensure that all recipients of employer-supported child care who joined schemes on or after 6 April 2011 receive the same amount of income tax relief as basic rate taxpayers. After all the talk about the attack on universality, it is worth pointing out that clause 35 ensures that everyone receives the same amount of income tax relief as basic rate taxpayers.

Reform of this provision was announced in 2009 by the previous Government. One might therefore have expected the Labour party to support the measure. When the right hon. Member for Delyn (Mr Hanson) spoke, it seemed likely that they would do so, but then we heard clearly and unambiguously from the hon. Member for Hackney North and Shoreditch (Ms Abbott) that she would oppose it—of course, she is a Front Bencher and a leading light within the Labour party, and she very nearly became its leader. The hon. Member for Easington (Grahame M. Morris), in a lengthy speech, condemned the measure, although he may in fact have been talking about another measure altogether, and the hon. Member for Denton and Reddish (Andrew Gwynne), in an important speech—his word, not mine—also set out his opposition.

It is striking that the Opposition are now walking away from a proposal of the right hon. and absent

Member for Kirkcaldy and Cowdenbeath (Mr Brown) and a policy of the previous Government, just as they walk away from any attempts at economic credibility.

Mr Hanson *rose*—

Ms Abbott *rose*—

Mr Gauke: I shall give way first to the hon. Lady.

Ms Abbott: For the record, I am the hon. Member for Hackney North and Stoke Newington, not for Shoreditch, and I came this close to being leader of the Labour party. [*Laughter.*] Yes, this close! Perhaps the alternative vote system would have done it for me—who knows!

Of course we supported the proposal made by the outgoing Labour Government, but as we have said throughout this important and illuminating debate, we did so only in combination with the redistributive measures in relation to child care for two-year-olds.

Mr Gauke: I look forward to seeing how *Hansard* transcribes, “this close”. I should point out, however, that the hon. Lady did stand under AV, and her votes probably contributed to the final result, so she can be pleased with that—we certainly are.

Mr Hanson: I want to make it clear to the Minister that I have said from the Dispatch Box that this measure had the support of the previous Labour Government, but it had that support on the basis, first, that through the funds saved it would provide child care places to the poorest in our community, and, secondly, that there would be no cuts to, or freezing of, child benefits. That support was also given in the context of the other measures that my hon. Friends have outlined today. There is a difference.

Mr Gauke: That is very clear, and I am grateful for that intervention. Clause 35 will result in a saving to the taxpayer of £100 million per year, because higher and additional rate taxpayers will no longer receive beneficial treatment. That target would not be met if the clause was defeated. The Opposition's position is therefore very clear: they would spend this money on child care. That is an additional spending commitment that we will add to their considerable total of spending commitments. I understand that all additional spending commitments from the Labour party have to be cleared by the shadow Chancellor and the Leader of the Opposition, so I am sure that they have gone through that process. However, we note that additional spending commitment. We believe that we need to get the deficit down. I am sorry that the Labour party does not accept that, or at least does not have proposals to do it. We note also that even in this time of financial crisis in the public finances, it is making additional spending commitments.

Kate Green: It is not an additional spending commitment; it is a commitment to moving spending from one group of families to elsewhere in the child care market. However, will the Minister tell us what assessment he has made of the long-term economic impact of moving parents out of the workplace because of this cut?

Mr Gauke: Because of the crisis in the public finances that we inherited, we have taken a range of measures to provide credibility and to get our deficit down. That is

[Mr Gauke]

what the country needs, and I am sorry that the Labour party is not willing or able to engage sensibly in that debate.

Employer-supported child care allows participating employers to offer their employees support with their child care costs. The latest HMRC modelling suggests that about 450,000 parents are members of ESC schemes, and that about 40% of them are higher or additional rate taxpayers. This support is offered through tax relief and the associated national insurance contributions disregard, with employers able to offer their employees up to £55 per week, free of income tax and NICs. Most employers offer this support through child care vouchers delivered either by salary sacrifice or flexible remuneration arrangements. Such arrangements can also benefit employers, because they, too, make NIC savings. At present, basic rate taxpayers can receive up to £900 of support a year through ESC, whereas higher rate taxpayers can receive up to £1,200 of support a year.

Mr Robinson: What is the economic rationale or moral principle underlying the distinction the Government are still making, I think, between families with a single higher rate taxpayer and families in which the mother and father are both higher rate taxpayers? It does not seem to make any sense, moral or economic.

Mr Gauke: In part, the hon. Gentleman is trying to draw me into the debate on child benefit, but I have no intention of straying off the subject, Dr McCrea. I am sure that you would not want me to. I should also point out that the previous Government's original proposal was to abolish employer-supported child care altogether. I would be interested to know what the moral principles were at that point.

The clause introduces schedule 8, which makes changes to ensure that from April this year, all recipients of employer-supported child care will receive the same amount of income tax relief as basic rate taxpayers. Although we are very much in favour of employers helping their employees share the cost of child care, it is neither progressive nor well targeted for wealthier households to derive more benefit than those on lower incomes, and I am rather surprised that Opposition Members should advocate that. All parents who join ESC schemes on or after 6 April 2011 will now receive the same amount of income tax relief as basic rate taxpayers. That is achieved by limiting the amount that higher rate taxpayers and additional rate taxpayers can receive each week to £28 and £22 respectively, so that all parents receive the same amount of income tax relief support each week—about £11. To avoid the measure having a retroactive effect, all existing members who joined a scheme before April 2011 will be able to retain their current rates of tax relief. I assure the Committee that the change will not affect the tax and NICs relief available for workplace nurseries.

We understand how valuable the support is to working parents. However, it is simply not fair that wealthier parents should be able to receive up to £300 more support for their child care costs than basic rate taxpayers. The changes that we are making to employer-supported child care are needed to make the benefit fairer, better targeted and more progressive, and I commend the clause to the Committee.

Mr Hanson: I am sure that we will be drawing to a conclusion shortly, but I want first to place on record my thanks to my hon. Friends the Members for Easington (Grahame M. Morris), for Hackney North and Stoke Newington (Ms Abbott), for Denton and Reddish (Andrew Gwynne), for Coventry North West (Mr Robinson), for Stretford and Urmston (Kate Green) and for Leyton and Wanstead (John Cryer) for their contributions. They have highlighted the concerns that we have expressed by asking for the clause to be debated today. Those concerns were summarised in the points that we made at the beginning. The Minister has not really answered those points to our satisfaction, although I will not press the clause to a vote today, because as I have said to him, whatever—[*Interruption.*] I am grateful to the Under-Secretary of State for Education for his contribution. It is good to see him here. Perhaps he would like to answer the questions that the Minister has not answered about why this Conservative Government have refused to invest those resources in child care provision for the poorest in our community, as the previous Labour Government planned to do.

The key question in this debate is about that very issue. When the Labour Government originally produced clause 35-type proposals, we were investing those resources in helping poorer families with child care, at a time when wider considerations about child tax credits, child benefits and the pressures of family life were not on the agenda, as my hon. Friends said. Clause 35 ties down an anomaly, which the official Opposition think is the right thing to do in the current circumstances—not as a spending commitment, but as a supportive measure for the Minister—just as we believed it was right in previous circumstances. The previous Labour Government's financial commitments and budgeting planned for that investment to be used to support wider child care. This Government have reneged on that promise.

We will look in detail at schedule 8, which clause—[*Interruption.*] [HON. MEMBERS: "Clause 35."] I am sorry, Dr McCrea, it has been a long 24 hours. Clause 35 brings schedule 8 into effect. When we reach schedule 8, we will make a decision on whether to support the proposals put forward by the Minister today. With those few comments, I thank my hon. Friends for raising important issues about the impact of the measure on already hard-pressed families. I will allow the Minister the opportunity today to have his clause without a Division, but we will return to schedule 8 in due course.

Question put and agreed to.

Clause 35 accordingly ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill (Clauses 4, 7, 10, 19, 35 and 72), as amended, reported, and ordered to lie on the Table.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PATENTS

That the draft Patents County Court (Financial Limits) Order 2011, which was laid before this House on 16 February, be approved.—(*Jeremy Wright.*)

Question put and agreed to.

Mr Deputy Speaker (Mr Nigel Evans): With the leave of the House, we shall take motions 4 and 5 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PENSIONS

That the draft Pensions Appeal Tribunals Act 1943 (Armed Forces and Reserve Forces Compensation Scheme) (Rights of Appeal) Regulations 2011, which were laid before this House on 22 March, be approved.

That the draft Pensions Appeal Tribunals Act 1943 (Time Limit for Appeals) (Amendment) Regulations 2011, which were laid before this House on 22 March, be approved.—(*Jeremy Wright.*)

Question put and agreed to.

BUSINESS OF THE HOUSE (9 MAY)

Ordered,

That, at the sitting on Monday 9 May, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motion in the name of Edward Miliband as if the day were an Opposition Day; proceedings on the Motion may continue, though opposed, for three hours and shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Jeremy Wright.*)

ADJOURNMENT (WHITSUN, SUMMER AND CONFERENCE 2011)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Tuesday 24 May 2011, do adjourn till Tuesday 7 June 2011; at its rising on Tuesday 19 July 2011, do adjourn till Monday 5 September 2011; and at its rising on Thursday 15 September 2011 do adjourn till Monday 10 October 2011.—(*Jeremy Wright.*)

Question agreed to.

Rights of Adoptive Parents

Motion made, and Question proposed, That this House do now adjourn.—(Jeremy Wright.)

5.17 pm

Mark Pawsey (Rugby) (Con): I am pleased to have been able to secure this debate to consider the rights of adoptive parents. In respect of the adoption of children, we hear a great deal about the children involved, about what is best for them, and about how to provide them with stable and happy upbringing. Given the need to protect such children, who are often very vulnerable, it is right and proper that they should remain the main focus of attention. We also hear a great deal about the rights of the birth parents, particularly when they wish to have access to those children, but we hear rather less about the parents who adopt such children. They are often people who have given up a substantial proportion of their lives to provide a stable home and family background to children who are in desperate need of love and support. We must not forget that group of people and the unique set of challenges that they face.

I hope to raise a number of the issues that affect adoptive parents. These include: the confidentiality of information relating to adoption; the way in which a birth parent, often years after an adoption has taken place, is able to challenge terms of contact; and the lack of support available to adoptive parents in difficult circumstances. As with many issues raised in the House, I learned about this subject when I was visited by a constituent at one of my surgeries, a lady whose family is engaged in a complex legal case involving her adopted daughter.

The Minister and I have already corresponded about this case, and I have similarly contacted the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly) in respect of matters relating to legal aid that I shall talk about in a moment. Following the family's wishes, they will remain anonymous in the debate. I will do my best to explain the elements of this rather complicated case, which raises a number of issues.

The first issue relates to the security of data in matters of adoption. In the case to which I am referring, the birth mother was just 13 years old when she gave birth to her child. Both mother and child—the mother came from London—were put into care in London with the original ambition of finding a foster placement for them both. However, professionals in the field at the time quite reasonably decided that, given the mother's age, the best long-term interests for both lay in putting the child up for adoption. The birth mother, despite her very young age, was reluctant to go ahead with the adoption and wished to keep the child. This wish to retain and gain access to the child has led to many of the difficulties facing my constituent and her family.

In 2001, my constituent and her family successfully adopted the child, who was just 23 months old at the time; she is now 12. They carried on with family life, and adopted a further child. During these years—pretty happy years from what I understand—the family were keen to do what was right for the child. The contact agreement, which was to facilitate indirect contact with the birth mother through letters a couple of times a year, was honoured; and it continued quite successfully through to 2008. The birth mother's reluctance to part

[*Mark Pawsey*]

with the child led to concerns that she might attempt an abduction, so the indirect contact did not include the ability to send photographs to the birth mother.

Given that distance between the birth mother and the parent, one can imagine the adoptive parents' concern when, seven years after the adoption, when the child was nine, the birth mother arrived unannounced at the family's home. The question is how the birth mother was able to locate the family. The mother is and was resident in London, and this was an out-of-area adoption, with the child resident some 80 miles away. Clearly, the birth mother should not have been able to find out the name and address of the adopting family without their consent. This was the first of things to go wrong for my constituent and her family.

This matter also raises questions about the very objective of adoption legislation. As the Minister has confirmed in his recent response to me, adoption legislation is there to provide a framework for protecting confidential information, such as the names and addresses of the individuals involved. That requires local authorities to obtain the consent of the individuals if disclosure is requested. The individuals might be concerned that disclosure could lead to them being identified. In this case, the adopting family had specifically not given such consent. I hope that the Minister will be able to give some guidance in his comments about the security of information in such cases.

Seeing the birth mother on her doorstep, my constituent attempted to make the best of what was then a difficult situation and sought to avoid a distressing scene in front of the child. She invited the birth mother into her home. She did so on the basis that the birth mother had seen her daughter and that it might affect her adversely if further contact was denied. The adopting family reluctantly felt that they had no choice but to permit ongoing and regular contact. That happened for a couple of years, although it proved extremely difficult when, over time, the birth mother became increasingly aggressive and confrontational about access.

After a period, the mother's behaviour became such that the family felt obliged to contact the police, leading to the birth mother receiving a police caution for harassment. With that in mind, the family quite reasonably requested that direct contact should be stopped, as it was starting to have serious consequences on the child who had become afraid of being abducted. The matter became so serious that at one stage the police provided both child and adoptive mother with alarms in case of an attack. One can only imagine the family's horror when, a few months after contact was stopped, the family received a court summons through the post, advising them that the birth mother was attempting to force direct contact once again. Even more than that, the birth mother had secured legal aid in order to do so.

That brings us to the issue of the ability of a birth parent to challenge an adoption order. Unfortunately, under the existing rules my constituent and her family—the adopting family—are not eligible for legal aid, but they are also not sufficiently wealthy to afford expensive legal representation. They have been given an estimate of a cost of some £6,000 to fight the case in court, and they have no access to such a sum. I believe that the case

raises serious issues about the rights of adoptive parents compared with those of birth parents, and about access to legal representation in such circumstances.

According to the Adoption and Children Act 2002, the effect of an adoption order is to give parental responsibility to the adopters. It refers to the extinguishing of parental responsibility from those who had it previously. Once an adoption order has been made, birth parents cease to have any legal rights over the child, and therefore cannot simply claim him or her back. As I explained earlier, a particular cause for anxiety is the fact that the direct contact came about not as a result of the wishes of the adoptive family, but because the birth mother had somehow managed to locate them.

Where does that leave the adopting family? They are left feeling that the birth mother has more rights than they have. It surely cannot be right for a birth parent who has breached the agreements of a contact order to be allowed to take the adoptive parents to court in order to make contact. I think most people would feel that in such circumstances the rules seem to be loaded in favour of the birth parents, with a lack of regard for the feelings and treatment of the adoptive family.

The availability of legal aid to the birth mother has become a matter of real concern to my constituent and her family. I am aware that the Government are currently undertaking a review of legal aid, and have presented proposals that will result in 500,000 fewer instances of legal help and 45,000 fewer instances of legal representation being funded by legal aid annually. I am also aware that family law is the single most expensive area of legal aid. In 2009-10, the most recent year for which figures are available, it cost the taxpayer £597 million. It is therefore understandable that the Government wish to make changes.

The Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon, has confirmed to me that legal aid is granted on the strength of information provided by applicants and their solicitors. I realise that it is calculated on a means-tested basis and takes no account of previous behaviour, but while I also understand the importance of safeguarding access to legal advice, I feel that in a case such as this the existence of legal aid complicates matters unnecessarily. I therefore welcome the Government's measures to restrict it, especially in cases such as this in which it pitches one person unfairly against another, and especially when options such as mediation may be more effective. It seems fundamentally unfair that in the case that I have raised, legal aid is available to the birth mother but not to the adoptive parents. I realise that this is not within the Minister's portfolio, but perhaps he will clarify the effect that changes to legal aid provisions will have on cases involving adoption.

Finally, I want to draw attention to the apparent lack of support measures for adoptive parents. My constituent and her family have been subjected to the behaviour of an aggressive birth mother, and must now deal with a complex legal case without the funds that would enable them to instruct a lawyer. They feel that throughout this time little or no support has been available to them. My constituent feels that she has been left with no choice but to trawl the internet to search actively for advice and guidance from adoption charities. That situation cannot be right, so will the Minister take the opportunity to advise us on what system of support and guidance exists for parents of adoptive children?

In highlighting this case and the cause of adoptive parents, I wish to make it clear that I do not expect the Minister to comment on this particular case and I simply seek his views on the broader issue of policy. I join my constituent in making the point that the legal importance of adoption orders often seems worthless if birth parents are able to take adopting families to court simply because they decide that they want to have more or full access. I fully appreciate the difficulties facing birth parents, particularly those who may not have wished to give up their child for adoption in the first place, but they should not be allowed to force legal proceedings and wreak havoc on new families who will have worked so hard to provide stability and security for the children they are adopting. If moves are made to encourage more direct contact, more guidance ought to be available for adoptive parents and more support measures must be established for them. I recognise that the law involved in this case is complex and that it is further complicated by the Government's review of legal aid. They must do all they can to educate both adoption agencies and adoptive families to understand what their position is. However, I accept that the most important factor throughout all these cases is the requirement to facilitate happy and successful adoptions for years to come.

The case I have described has been most distressing to my constituent and her family. For 10 years they have brought up an adopted child as their own in a happy and stable environment, but it is now one where both they and the child are extremely uncertain about their future together. I recognise that much of this unfortunate situation cannot be changed and that the clock cannot be turned back, but I wish my constituent and her family every success in their legal battle, and the best and happiest future for them and their adopted daughter.

5.32 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I congratulate my hon. Friend the Member for Rugby (Mark Pawsey) on securing this evening's important debate. It seems that we have been debating for days in this Chamber and he was unlucky enough to draw the short straw of having his debate at the tail end, after a night when some of us have been left short of sleep.

Leaving aside the specific case behind today's debate and the correspondence between my hon. Friend, myself, the Department for Education and the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), to which reference has been made, I know that, like many of us across the House, my hon. Friend the Member for Rugby is a big admirer of the many thousands of wonderful parents in this country who have chosen to adopt a child. His closing remarks absolutely affirmed the nobility of such an activity, and I very much wish to encourage, and have been seeking to encourage, it in my time as the Minister with responsibility for adoption and children in care.

My hon. Friend raised several crucial issues and I wish to address as many of them as possible because, as he knows, adoption is an issue on which the Government have been working extraordinarily hard over the past year. As he said, I cannot refer to the specific case of his constituent because it is before the courts. It is clearly a

difficult case and it has been going on for some time. As he says, the child has been placed with the adoptive parents for some 10 years and that child is regarded as their own. He was also right to mention the oft-referred-to rights of children that are at the heart of the Children Act 1989. The welfare of the child must be the paramount consideration when dealing with any matters to do with children in the care system. He also mentioned that we hear, quite rightly, about the rights of birth parents. Only in extreme circumstances should a child be taken away from their birth parents and the process should end in adoption only when it is not safe for that child to be returned to the birth parents or parent.

Most importantly, perhaps, we have made it clear from day one that we have a lot of work to do to get an adoption system that is truly fit for purpose. I have been coming at it from the angle of wanting to ensure that we have more adoptions as well as speedier and smarter adoptions, but I am also conscious that we must ensure that we get the right adoptions. The right children should be adopted and everything should be done to restore children to their birth families wherever possible.

My hon. Friend raised quite an interesting scenario that falls in between those two points, in which parents had come forward as adopters, were confirmed in that role and took on a child as their own, but their position was challenged at a later date after which legal action was brought to bear on them. Such a situation is quite unusual, but he has certainly made me aware of such cases and in formulating our approach to adoption, I want to take them on board. If we are to promote adoption as providing a suitable home for a number of children who were not lucky enough to be able to be brought up with their birth parents, it is crucial that we ensure that there are safeguards so that the right children are placed for adoption and the people who adopt them have their interests protected, too. After all, they have come forward with the noblest of intentions. We need an adoption system that is truly fit for purpose in all those respects.

No one could fail to be concerned by the fall in the number of adoptions of looked-after children over the past few years, particularly the decline in the timeliness of placements. When it has been decided that a child's future best lies in an adoptive placement we owe it to that child to get on with placing them as swiftly as we can so that they have as good a chance as possible to secure a second chance at the stable family upbringing that was denied to him or her in the first place.

At this stage, I would particularly like to commend the campaign that has recently been promoted by *The Times* and, in particular, by the journalist Rosie Bennett, who has highlighted a lot of the shortcomings in the adoption system and has worked with us in the Department for Education to try to highlight the problems and to promote some of the solutions. We are working with a number of organisations and people who are interested in the field of adoption.

As I have said before, both in the House and outside it, we want to see the decline in adoption stopped in its tracks and more children adopted quicker and more smartly when that is in their best interests. I also want local authorities to consider carefully the support that adopted families need—my hon. Friend mentioned that—so that everything possible is done to increase the number of successful adoptions. It is not just a question of getting more adoptions to happen; adoptions must be

[Tim Loughton]

sustainable and they must not break down. It is all the more important that we get a good match and that the right support is provided at an early stage and for as long as it takes so that everything possible is done to increase the number of lasting and successful adoptions.

Placing a child for adoption with prospective adopters is only the start. Adoptions need to succeed and that I why I set up a ministerial advisory group on adoption. At our next meeting we will consider adoption breakdowns and how better adoption support can help to prevent them. As part of a wider programme of adoption reform, we have recently published revised national minimum standards, revised statutory guidance and an adoption data pack to inform and stimulate debate both nationally and locally about the volume and timeliness of adoption.

In addition, as many hon. Members will know, we have asked David Norgrove to review the family justice system. The review panel's interim report, which came out just last month, provides a valuable initial assessment of the challenges that the family justice system faces. We encourage everyone who has experience of the system to contribute their views over the coming months so that the panel has as much information as possible on which to base its final recommendations, which are due out later in the year. I have also had very productive discussions with Sir Nicholas Wall, the president of the family division, and I will be holding further discussions with judges and members of the judiciary who are involved in adoption.

To come back to the specific circumstances outlined by my hon. Friend, the Adoption and Children Act 2002 makes it quite clear that in reaching a decision about the adoption of a child, the paramount consideration of the court or adoption agency must be the child's welfare. In reaching a decision, the court or agency must take into account a number of issues, including the likelihood of any relationship with birth family relatives continuing, as well as the benefits to the child, and it must have regard to the child's ascertainable wishes and feelings. I know from some of my constituency cases that ongoing contact with birth parents is a difficult and sensitive issue; great sensitivity and, often, the judgment of Solomon, is required.

As my hon. Friend knows, during the period between a placement order and an adoption order, the adoption agency must satisfy itself as to the child's welfare and consider any additional requests for support by the adoptive parents. Once an adoption order has been made, adoptive parents are in exactly the same position as birth parents, but adoption support services are available. An adoption order is, of course, final and irrevocable, other than in exceptional circumstances. The courts have consistently emphasised the special, permanent nature of adoption orders because they affect people's status and alter the most fundamental of human relationships. However, the High Court has the power to set aside an adoption order on appeal in cases of mistake or where there has been a failure of natural justice due to procedural irregularities or fraud, but that is extremely rare and is to be avoided if at all possible as it is greatly unsettling for the child.

Children, adoptive parents and birth family members all have the right to an assessment of their needs for adoption support services on request and it is for the

local authority to decide what services to provide. Sensitive, proactive post-adoption support can sometimes make all the difference to the success of an adoption. Having looked at the record of some independent adoption agencies in particular, I know that it is invariably those agencies that offer good pre-adoption placement support and good-quality post-adoption support for as long as it takes to make sure that the adoptive placement is sustainable and able to last that tend to have the lowest disruption rates and the best records of giving children a decent second chance. The cost of not providing such support, in terms of children returning to care, can be very great in financial terms and, more importantly, in the human and social effects for the children involved.

There is a legal framework under the 2002 Act which protects the identity of the adopted child and the adoptive family. My hon. Friend rightly raised the important issue of security of information for adopters and I would be interested to hear how the case he has discussed evolves and to learn where security breaches might have happened, because it is essential that the anonymity of new arrangements is paramount. If there are flaws in the system that enable people to exploit it in a way that is not in the best interests of the child, we need to be able to do something about that. We need to be able to identify such problems and I would appreciate further discussions with him as the case he mentioned is unravelled.

No information should be disclosed that would reveal the child's identity or whereabouts or the identity or whereabouts of the adoptive parents. Although there are safeguards in place, in today's electronic world a determined person with little information about an individual might be able to find them, but that is no excuse for our not having in place systems that are as watertight as possible.

As regards contact after adoption, my hon. Friend will know that before a child is placed for adoption, the adoption agency must assess the needs of the child in relation to future contact arrangements with members of their birth family. It must ascertain the wishes of the child, birth parents and any other person whom the agency considers relevant about future contact. As I said, that is a sensitive and difficult area. Contact plans are reviewed at the various stages of the adoption process, and are considered by the court when making a placement order and an adoption order. It is not something that is static—it is constantly assessed and reassessed.

It is important that adoptive parents are made aware that, as part of the support services available to them, they can receive help in relation to any contact arrangements and, like the birth family and of course the child in question, the adoptive family can ask the adoption agency that placed the child to review the contact arrangements if they are not working or if the child's needs for contact have changed. That is not uncommon as the child grows up and begins to ask questions about his or her origins. I must emphasise that once an adoption order is made, a birth parent has no automatic right to contact, and can only make an application to the court for an order for contact with the court's permission. The court may make a contact order requiring the person with whom the child lives or is to live to allow the child to visit or stay with the person named in the order, or for that person and the child otherwise to have contact with each other. It bears repeating that a court will do so only if, having weighed the evidence, it is clear

that such contact would be in the child's best interests. The paramountcy consideration always comes into play. The revised adoption guidance that I mentioned earlier covers those matters.

It is worth noting that if adoptive parents are unhappy with the way in which they have been treated by the local authority they have the right to make a formal complaint under the local authority complaints procedure. If they are unhappy with the council's response, they may request a panel hearing, which will have independent representation. If they remain dissatisfied, and think that a local authority has treated them unfairly as a result of bad or inefficient management—"maladministration"—they can refer their complaint to the local government ombudsman.

My hon. Friend mentioned legal aid, and I am aware of his correspondence with the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly). I will not deal with the detail of that issue, but he is right to refer to the review. It is worth noting, however, that the legal aid review is intended to achieve a level playing field for various aspects of family justice, as that is clearly not the case at the moment. Legal aid changes might affect adoption in some cases, but I am happy to take another look at that if, in the light of my hon. Friend's case, he thinks that there is not a level playing field, and I am happy to take part in discussions with my colleagues at the Ministry of Justice.

The Ministry of Justice recently consulted on changes to the legal aid system, with the aim of focusing resources where they are most needed, and it is currently considering a response to the consultation, so its final judgments are a little way off. Decisions about legal aid funding in civil cases are a matter for the Legal Services Commission, which is responsible for administering the legal aid

scheme. Generally, legal aid in civil cases is available to anyone who qualifies, provided that the applicant is using the courts of England and Wales and that the case is within the scope of the scheme. Civil legal aid is available for cases involving the welfare of children. Each application, which may include the child if they are a party to proceedings, is considered on an individual basis and is subject to statutory tests of the applicant's means and the merits of the case.

Let me finish by repeating our absolutely, intently serious commitment to improving adoption services in this country, in particular to those people who come forward to provide loving and supportive homes to children who desperately need the second chance that they were denied with their own parents. With the wider reforms that we are introducing, we want to get people talking and thinking about adoption again, and we want all that to translate into action, with better-quality, sustainable placements right across the country. If there are examples from this case and others that hon. Members wish to raise that show in some way that the ability of adoptive parents, who have often gone through a long, drawn-out and intrusive process, to continue to offer a stable, loving family placement to an adopted child is impaired, we will need to look at that, and I am happy to review the situation if that is the case. I am grateful to my hon. Friend for raising the issue, and I hope that his constituent's case, which is behind today's debate, reaches a satisfactory conclusion. Equally, if there are important lessons to be learned that we can apply to the whole area of adoption, I should very much like to learn them.

Question put and agreed to.

5.50 pm

House adjourned.

Deferred Division

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

That this House takes note with approval of the Government's assessment as set out in the Budget Report, combined with the Office for Budget Responsibility's Economic and Fiscal Outlook, which forms the basis of the UK's Convergence Programme, for the purposes of section 5 of the European Communities (Amendment) Act 1993.

The House divided: Ayes 249, Noes 139.

Division No. 265]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbutnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Crabb, Stephen
Crouch, Tracey
Davey, Mr Edward

Davies, David T. C.
(Monmouth)
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Doyle-Price, Jackie
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Garnier, Mr Edward
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Hemming, John
Hendry, Charles

Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
James, Margot
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lidington, rh Mr David
Lilley, rh Mr Peter
Lord, Jonathan
Loughton, Tim
Luff, Peter
Macleod, Mary
Maude, rh Mr Francis
May, rh Mrs Theresa
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Mills, Nigel
Moore, rh Michael
Mordaunt, Penny
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Whittaker, Craig
Wiggin, Bill
Willets, rh Mr David
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

NOES

Ainsworth, rh Mr Bob
 Alexander, Heidi
 Ali, Rushanara
 Anderson, Mr David
 Bailey, Mr Adrian
 Barron, rh Mr Kevin
 Bayley, Hugh
 Beckett, rh Margaret
 Begg, Dame Anne
 Bell, Sir Stuart
 Benn, rh Hilary
 Berger, Luciana
 Blunkett, rh Mr David
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burnham, rh Andy
 Campbell, Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Cash, Mr William
 Chapman, Mrs Jenny
 Clappison, Mr James
 Clwyd, rh Ann
 Coaker, Vernon
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, Jeremy
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cunningham, Mr Jim
 Cunningham, Tony
 Dakin, Nic
 Darling, rh Mr Alistair

David, Mr Wayne
 Davies, Philip
 Denham, rh Mr John
 Donohoe, Mr Brian H.
 Dowd, Jim
 Dromey, Jack
 Eagle, Ms Angela
 Eagle, Maria
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Engel, Natascha
 Farrelly, Paul
 Fitzpatrick, Jim
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Gapes, Mike
 Gardiner, Barry
 Glindon, Mrs Mary
 Goodman, Helen
 Green, Kate
 Gwynne, Andrew
 Hain, rh Mr Peter
 Hanson, rh Mr David
 Healey, rh John
 Henderson, Gordon
 Hepburn, Mr Stephen
 Heyes, David
 Hilling, Julie
 Hodgson, Mrs Sharon
 Hollobone, Mr Philip
 Hopkins, Kelvin
 Howarth, rh Mr George
 James, Mrs Siân C.
 Jenkin, Mr Bernard

Johnson, rh Alan
 Jones, Mr Kevan
 Kaufman, rh Sir Gerald
 Lavery, Ian
 Leslie, Chris
 Lewis, Mr Ivan
 Lloyd, Tony
 Love, Mr Andrew
 Mactaggart, Fiona
 Main, Mrs Anne
 McCann, Mr Michael
 McCarthy, Kerry
 McCrea, Dr William
 McDonagh, Siobhain
 McDonnell, John
 McFadden, rh Mr Pat
 McGovern, Alison
 McGovern, Jim
 McKechin, Ann
 Meacher, rh Mr Michael
 Meale, Mr Alan
 Mearns, Ian
 Miliband, rh David
 Miller, Andrew
 Morris, Grahame M.
 (*Easington*)
 Nash, Pamela
 Nuttall, Mr David
 Paisley, Ian
 Pearce, Teresa
 Phillipson, Bridget
 Raynsford, rh Mr Nick
 Reckless, Mark
 Reynolds, Emma

Robertson, John
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ruddock, rh Joan
 Shannon, Jim
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Shepherd, Mr Richard
 Skinner, Mr Dennis
 Slaughter, Mr Andy
 Smith, rh Mr Andrew
 Spellar, rh Mr John
 Straw, rh Mr Jack
 Stringer, Graham
 Stuart, Ms Gisela
 Sutcliffe, Mr Gerry
 Tapsell, Sir Peter
 Thomas, Mr Gareth
 Timms, rh Stephen
 Trickett, Jon
 Turner, Mr Andrew
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, Valerie
 Walley, Joan
 Watts, Mr Dave
 Whitehead, Dr Alan
 Wicks, rh Malcolm
 Williamson, Chris
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms Rosie
 Wright, David

Question accordingly agreed to.

Westminster Hall

Wednesday 4 May 2011

[MR ALAN MEALE *in the Chair*]

Family Policy

Motion made, and Question proposed, That the sitting be now adjourned.—(Mr Dunne.)

9.30 am

Jessica Lee (Erewash) (Con): It is a pleasure to serve under your chairmanship this morning, Mr Meale, and I am delighted to have secured this important and wide-reaching debate on family policy.

I will begin by reflecting on the royal wedding last Friday. There are, of course, many joyful moments on which to reflect, but I want to focus on the prayer that their Royal Highnesses the Duke and Duchess of Cambridge prepared in advance of their special day. It is telling that before going on to give thanks for their marriage and expressing their wish to serve others, in the first sentence of the prayer they thanked God for their respective families.

The value of the first relationships that we develop, and the care afforded to us by our first carers and family unit, plays a key role in the formation of the years ahead. For the avoidance of doubt, I am not suggesting that one needs to marry into royalty or luxury to value the importance of family and stability—far from it. That prayer reflects the wishes and aspirations of thousands of newlyweds up and down the country, and it was a valuable statement to make.

Since the coalition Government were formed nearly a year ago, there has been a focus on commissioning reports to examine how to tackle child poverty and how to best assist children and families in the important early years development. Most notable are the reports by the right hon. Member for Birkenhead (Mr Field), which looks at the foundation years, and that of the hon. Member for Nottingham North (Mr Allen) on early intervention. The report by Dame Clare Tickell presents her results on the evidence regarding the foundation years. Professor Eileen Munro has examined child protection procedures, and David Norgrove has published an interim report on the Family Justice Review. Most of those reports are at the interim stage, but they have already provided a detailed and highly informative overview for how to approach the complex issue of assisting families, particularly in the early years.

It is important to mention the valuable role played by the voluntary sector in supporting and caring for families. That role varies from national charities and organisations, such as Action for Children or Barnardo's, to small local organisations that provide niche help and assistance. That work is underpinned by the vision and aspirations of, among others, my right hon. Friend the Secretary of State for Work and Pensions. He has sought to get to grips with the reasons behind the cycles of poverty in the UK, and he has looked at how best to improve the lives of the most disadvantaged people.

Such an aspiration cannot be achieved by central Government alone, and I believe that we need to empower the most disadvantaged people to make sustained changes

and to aspire for their children. The complexities of family breakdown, drug and alcohol misuse, personal debt and educational failure have created long-standing problems for many families. The benefit reforms proposed and implemented by the coalition Government will make work pay, so that providing and taking responsibility for children, and the creation of a work ethic, will hopefully move some families away from those generations of people who did not feel equipped to work. Such people should be equipped with the skills and self esteem that they require to move into work. I hope that this debate will pull together some of the strands that run through those different reports, and give hon. Members the opportunity to contribute their own views and experiences.

The contribution of the report into foundation years by the right hon. Member for Birkenhead is an excellent place to start such a debate. The report confirms the importance of the early years, and presents evidence to show how critical those years can be in determining the likely outcomes for children as they move into adulthood. Essentially, it proposes to place equal emphasis on the first five years—the foundation years—of a child's life, as on the primary and secondary sections of a child's education and development. It is a plan for long-term investment—not only financial investment but investment in services and skills—so as to achieve long-term results and improvements.

The proposal to set life chance indicators to support work undertaken during the foundation years is a bold step, and such indicators would help the Government to understand how investment in the early years is bearing fruit. The right hon. Gentleman seeks ring-fencing for some services, but the report makes it clear that that is not simply a request for funds. Trying to help the most disadvantaged children is not a new approach taken by the coalition Government, because previous Governments have also aspired to tackle that complex issue. The previous Labour Government set a target of abolishing child poverty by 2020, but in my view their approach ignored the long-term complexities behind cycles of poverty. The policy of child tax credits was never going to be a sufficient step towards resolving the social and economic problems for the next generation.

We need a structure where help for the foundation years can be accessed by those most in need. The proposals in the report for Sure Start centres to be refocused make great sense. In my constituency, Erewash, we are blessed with excellent Sure Start centres, and the staff and volunteers work with families and provide a great service to everyone who comes through the doors. Commissioning children's centres and making them places where child benefit forms can be collected or parenting classes accessed are just some of the proposals aimed at making such centres attractive. In other countries, parenting classes are often a given, and it is part of the culture to undertake them when a new baby arrives. I want to see a shift in culture in the UK to make parenting classes fun and become the norm.

My friends who have had children often describe the sudden sense of responsibility that they felt when they first held their new-born child. As godparent to three young children, I have only to take care of the enjoyable stuff such as presents and day trips and so on, which is great fun. We know, however, that babies do not arrive with an instruction manual, and the shock of suddenly providing for another human being can be overwhelming.

[*Jessica Lee*]

Indeed, that shock can be overwhelming for well-supported, financially secure and well-educated parents, so it is easy to see how a parent who, for example, is struggling with their finances, has an unreliable partner, lacks a good family support network or has no knowledge of where to access help could suddenly fall apart. We must reach out and help those parents. We need more health visitors and easily accessible support for parents. If we can provide the right support from the outset, the prospects for children in the future will be much improved.

The report by the hon. Member for Nottingham North sits neatly with the work on foundation years. He has been an advocate of the theory and practice of early intervention work for many years, and we are all grateful for his first report on that subject. The forward to the report reiterates a point that I have made from the outset: the call for early intervention is about not only asking for money but the impact of social disruption, the effect of fractured lives and the sadness of broken families.

The introduction to the hon. Gentleman's report contains the startling fact that a child's development score at 22 months is an accurate indicator of educational outcomes at the age of 26. Other indicators in the report show how depression in adult women can often be traced back to their childhood experiences, and how adult criminal activity in men can be a reflection of their formative years. In my view, such facts only increase the need to look at long-term strategies for how we support families with young children, and how we structure support for those vital early years. The use of early intervention work to nip in the bud any struggles or problems faced by families has to be a goal for the future.

The work of Dame Clare Tickell includes data collated from various providers, schools and voluntary organisations. She has considered how best to implement measures to support the foundation years. It is one thing to identify the early years as an area that we need to assist. What we really need to do is to ensure that the work that is undertaken is correct. A question was asked about the most important skills that young children—pre-school children—should learn. Of the 1,184 responses, 81% listed helping to build good personal, social and emotional skills as the highest priority, with developing communication, speaking and listening skills coming a close second. Those are notable responses, as they are just the skills that could be monitored through early intervention work and assessed as part of a foundation years programme.

Another conclusion in the report was about the enthusiasm among professionals to speak, with permission of course, to other professionals involved with families, such as health visitors and support workers, which would very much assist work with families. It, too, is a significant theme and threads through to the steps that we take, but need to improve, in working with the most vulnerable children in society and those at risk of harm.

I come now to the important topic of child protection and support for the most vulnerable families. There is a need to tackle delays in the system and to ensure that the important work that social workers undertake is valued and respected. That is long overdue. My mother was a children's nurse for about 40 years—probably longer than that—and her role would be considered a

front-line role. That would also be the case for nursing staff in accident and emergency departments in particular. Similarly, the role of a child protection social worker, stepping into the unknown in people's homes, is front-line work and needs to be recognised as such. I am a family lawyer, and most if not all of the social workers with whom I have worked over the years have been subject to verbal abuse and physical assaults. They have to walk into homes where there are alcoholic parents or drug misuse with not a clue about what will happen on the other side of the door. That is not a role to be taken lightly. The reason for dwelling on those experiences is that we need to structure children's services correctly, so that they can best support the vulnerable children for whose care and well-being they are responsible, which is no small responsibility. Professor Munro set out in the conclusions to her report the need to reduce bureaucracy for social work teams and how we can better structure working practices in children's services.

I want to champion the role of the voluntary sector in supporting local children's services. In my constituency of Erewash in Derbyshire, we have an excellent Home-Start organisation, with which I have been honoured and delighted to be closely involved. It provides valuable support for mums, who are often young, who need advice and guidance—it is a supporter. It usually involves an older figure to whom they can turn for advice without fear of judgment or criticism. Such volunteers do not step on the toes of children's services when they perform their statutory duties. I would object to any suggestion that by supporting the voluntary sector, we are trying to take statutory roles away from government. We are not trying to do that; we are trying to embrace the voluntary sector, support it and give it the voice that it needs. Such volunteers add to the much-needed fabric of a support network for inexperienced parents. I support Home-Start in Erewash and throughout the country, and I support the many other similar organisations.

In Derbyshire, we also have an excellent scheme, which has been rolled out through the county council, for a volunteering passport. After training, volunteers can be awarded the passport as a sign of their commitment and experience, and they can then go forward to assist families. Again, it is often young mothers who need a friendly face and some guidance on parenting skills. The scheme is a success, and it reduces bureaucracy. It could easily be incorporated in new and different projects across the county—indeed, I would like to see it rolled out across the country.

For too long, patterns of abuse and neglect have been passed down the generations in families involved with social services. To link back to the earlier reports, it is often the lack of early intervention work that leaves a vulnerable family without support in the home, which can escalate to emergency situations and then to the statutory involvement of social services. That is not how social workers wish to work with families and, most importantly, it is very damaging for children. Sadly, by that stage, the level of harm to children can be so great that their attachment to their parents and siblings is irreparably damaged and beyond repair, despite attempts to weave the family back together.

An additional factor in this rather depressing scenario is the structure of the family justice system. The family justice system is served by hard-working people who have often worked in it for many years and who have a

passion for, and a commitment to, supporting vulnerable families. However, there are long delays in cases being heard and problems with the availability of experts and court time. David Norgrove has been commissioned to tackle those problems head-on, and he has provided a detailed interim report. The proposal to create a free-standing family justice system is well argued and evidenced in the report. It is important, because the current delays impact on planning for a child. If a baby of, say, six months is taken into foster care, it can be a further nine months or so before decisions are made about their future. The baby will therefore have lived more than half their life with an uncertain future. That matters, because it is at that stage that babies and young children are forming important attachments to their carers. Any disruption to their placement and delay in forming those attachments impact on the long-term prospects for young children. That takes us back to the concerns raised in the report by the right hon. Member for Birkenhead on the foundation years. To help the most vulnerable and damaged children in our society, we simply must speed up the decision making and court processes for them.

Finally, I come to the outcomes for looked-after children, which have also, sadly, remained poor. That has been the situation for many years. It was my privilege the other week to meet some young people from Cardiff who had travelled to Westminster. They were all children in foster care. One teenager told me that she had been through nine foster care placements in the past two years and that she did not think that that was fair. I did not hesitate in agreeing with her and saying that if I had been through so many placement changes in such a short time, I would be angry and upset with the system. Fortunately, that young person has now hit it off with an excellent support worker and has a focus and ambitions for the future. She knows where she wants to go. But what about the thousands of other young people who are—rightly—angry and upset? I applaud the Government's steps to improve the adoption numbers in the UK and the wish to cut out political correctness and delays in approving matches for adoption. We must do that, because a whole generation of children on care orders depend on it.

My reason for initiating the debate is so that the Minister can, I hope, assist us all by responding to it and bringing together the threads of all these different and important reports. For any reforming Government who have recently come to power, there are many issues to tackle. We have all seen what the new Government have had to deal with in relation to the financial situation, reforming welfare benefits, foreign policy and so on, but to me, there is nothing more important than how we deal with young people and families. That takes me back to my opening comments. The Duke and Duchess of Cambridge recognised the point in their thoughtful prayer, which they set out before they were married. For any person who wants to get on in life, the love and support of a family is the most important foundation. Our duty as parliamentarians is to help as many young people as possible to have a stable and supportive start in life.

9.48 am

Andrew Selous (South West Bedfordshire) (Con): It is a pleasure to speak under your chairmanship, Mr Meale. I congratulate most warmly my hon. Friend the Member

for Erewash (Jessica Lee) on securing the debate and on her excellent introduction to this very important subject. I am pleased that so many hon. Members have come along this morning to take part.

We know that the country faces a very severe financial crisis and we are reminded almost daily of the huge challenges that we face internationally in the middle east and elsewhere. However, the crisis facing family life is the most serious of all the issues facing this country. I do not say that lightly, because the data on family breakdown are extremely alarming. The most recent analysis from the Office for National Statistics in the millennium cohort study shows that 48% of all children born today will not grow up with both parents. It is alarming that nearly one in two children born today will experience some form of family breakdown, because although single parents do heroic and fantastic work on many occasions, and I give them all the credit they deserve for performing a tough role, the data show that outcomes for children overall across the country—obviously, there are exceptions—are much less good than when two parents stay together.

There has been a view across academics, policy makers and journalists that Governments cannot really go near this issue and that although they can build schools, run a health service, maintain decent roads and try to promote economic growth, they cannot or should not get involved in the issue of family life, even though that is the most important to many of our constituents, as my hon. Friend said. I want to challenge that contention because if we go about this in the right way, we can make a significant contribution to preventing family breakdown and strengthening family life.

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is elaborating on the severe problems that family breakdowns cause society. Does he share my concern that the financial cost of such breakdowns is in excess of £40 billion, according to statistics from last year? Whatever investment the Government put in is worth while if it can address that fundamental problem, which will otherwise be with society for generations to come.

Andrew Selous: I am most grateful to the hon. Gentleman for raising that point, and he is absolutely right. The recent study by the Relationships Foundation put the cost of family breakdown at £42 billion. In a recent speech, the Secretary of State for Work and Pensions put it at between £20 billion and £40 billion per annum. Whatever the figure, we can all agree that it is massive, and if we can reduce it, there will be many better uses to which the money could be put in our constituencies; indeed, we could also reduce taxes. I am grateful to the hon. Gentleman for putting that point so firmly on the record.

As I said, success or failure in marriage and relationships is not merely a matter of luck. Nor do people in a troubled marriage or relationship have just two options—to stay together and be miserable or to split up. That is absolutely and emphatically not the case, and I want to spend the rest of my time explaining why. I also want to praise the Government for some of the things they have done recently and to commend the Minister on some of the excellent initiatives she has introduced. I will perhaps

[Andrew Selous]

also outline some of the areas where we can go a little faster and a little further to match the scale of the problem.

I praise the recent funding from the Department for Education for a range of relationship support initiatives, from *Relate to Care for the Family* and its *Let's Stick Together* project, which I am particularly keen on. I commend the Minister on that excellent start, which is an early down-payment on the coalition's promise to take this issue seriously. I also commend the Secretary of State for Work and Pensions, who has committed his Department to recognising marriage in its data and analysis. Under the previous Government, the issue was just wiped off the piece, and we could not look at the data on it. I am not talking about tax, which the Minister and I will disagree on as far as marriage is concerned, but about having an honest analysis of the data. Such an analysis is a good thing, and we should just see what the data say. That is a significant issue.

I want to comment a little on the funding that the Minister has given *Care for the Family* to roll out the *Let's Stick Together* course. People ask what we can do about family breakdown, and this course is really practical. It is run by health visitors up and down the country for new parents, whatever type of relationship they are in. It takes an hour or so. Often, it is run by new parents who have recently done the course. It gives some of the basics about how to have a healthy, strong and happy relationship or marriage that will last. The early feedback is very positive and suggests that the course is well received. Surely, it is better to give people the tools, support and skills to make a success of their relationships than to come round and sort things out afterwards, when everything has gone wrong. In Bristol, where the course has been trialled, it now reaches nearly 30% of new mothers, and there has been very positive feedback. I commend Harry Benson of the Bristol community family trust, in particular, for the pioneering work that the trust has done. I also commend Bristol health visitors for the enthusiasm with which they have picked up the course. If that can be done in Bristol, why can it not be done in every other great city, and in every market town, village and rural area, in our country, because this really matters?

I hope that we will see a little more support from registrars for marriage preparation. Two thirds of all weddings take place in registry offices, but registrars do not offer good enough signposting towards the marriage preparation that is available from local and community groups. That is an obvious thing we could do, it would not cost any money and it would lead to better outcomes. What do we have to fear? What is there to prevent us from doing that? I hope that we can go further and faster on that.

At the moment, all our local authorities are preparing local child poverty strategies. I welcome that exciting development, which is taking place alongside the Government's excellent work nationally to reduce child poverty. We can see different and pioneering initiatives at the local level, and I hope that strengthening families will be a key part of what local authorities look at. From the early evidence I have seen of some child poverty strategies, however, I am not convinced that that is yet the case. I know that we are all localists now, and that we are not really in the business of telling our

local authorities what to do, but an emphasis on strengthening families would be enormously helpful and useful, given that a child who grows up with one parent rather than two is twice as likely to grow up in poverty as one whose parents stay together. I therefore hope that strengthening families will be an aspect of local child poverty strategies and that authorities will work with the community and voluntary sector. There is a community family trust in my constituency, which could do this work very well with my local authority, and that would be helpful.

My hon. Friend talked about the importance of parenting courses, and I completely agree with her. The additional point I would make is that internationally peer-reviewed academic work, particularly from Professors Cowan and Cowan at the university of Berkeley in California, shows that parenting work is even more successful if the relationship between the two parents can be enhanced at the same time. Where parenting work is being done and there are two parents, let us also strengthen the couple's relationship. We could usefully do that, and it would not cost us any more money where parenting work was already being done. That would lead to better results.

We can also do more in our schools. I recognise that our school curriculum is completely packed, and whenever anyone tells me that they want to add something to it, I ask them what they want to take out. However we do have assemblies in our schools, and teachers and head teachers are often looking for material to present. There is very good material around. *Care for the Family* has its evaluation material. There is also an excellent charity called *Explore*, which is based in Hampshire. I have met both, and they have really excellent material, which is welcomed by students in schools. It speaks to children in a language they understand and tries to give them some of the skills and support they need to make a success of adult relationships when they leave school. We could do more work on that.

My final suggestion to the Minister before I sit down, as many colleagues want to speak, is not to ignore what we can do in prisons. That might seem an odd area to mention; however, strengthening the relationships of prisoners is important. It is not a fuzzy thing to do, akin to giving prisoners televisions in their cells. The academic evidence tells us that prisoners who have a strong relationship to return to after they leave prison are 35% less likely to reoffend when they come out. If their relationship breaks down while they are in prison, they are 40% more likely to reoffend. Why does that matter? Because you and I, Mr Meale, are less likely to have our back door kicked in on a Saturday night, or our car radio stolen, if we can support the relationships of prisoners. We might not immediately think of that when we discuss family policy, but it is important.

Once again, I congratulate my hon. Friend. I look forward to hearing the Minister's response; I commend her on the excellent start her Department has made. However, I would say it is a massive challenge. If we are to make Britain the country we all want to see, we need to go a little further and faster in this area.

10.1 am

Jim Shannon (Strangford) (DUP): I, too, congratulate the hon. Member for Erewash (Jessica Lee) on raising the subject. All of us believe that family values are

important; I certainly do as an elected representative. They are the core of society, and it is important that they are in place. That is the thrust of what was said by the hon. Lady and the hon. Member for South West Bedfordshire (Andrew Selous). I missed the beginning of the hon. Lady's contribution, but I understand that she mentioned Kate and William's marriage as an important example. That was also important for me: it was not just the pageant, the grandness of the occasion and that 2 billion people around the world watched; it was that it was about two young people in love. That is the core of the marriage relationship. They are two ordinary people, if one takes away all the grandness of last Friday.

I have a couple of points to make about marriage. In correspondence that we all received as elected representatives, the Secretary of State for Work and Pensions and the Prime Minister clearly stated that family values are important to them. They intended to take action to help, which I would welcome. I will return to that later, but I am conscious that others want to speak, so I will not deliberate for too long.

I have one of those long-suffering wives who from the beginning realised that the guy was going to be away most of the time, and that she would have to look after the family, which is what happened. The role of the lady is important in any marriage. Ultimately, they run the household and look after the children. That bond between mother and child is stronger—perhaps more than it should be—than the one between the father and child. Statistics indicate that 90% of those in a married relationship are happy, and a similar percentage of those cohabiting are also happy. That is an indication that lots of people are committed to the married or cohabiting relationship.

It is not just about the relationship between the mother and father; it is also about the families and the time they spend with their children. The only mealtime I spend with my children is on a Sunday. There is an indication that families should eat together on a more regular basis. A family eating together three times a week provides that strong bond for a marital relationship.

My comments focus on the marriage relationship and the need to build upon it, and the need for Government to play a role. Words are all very well, but actions are needed to back them up, and I want to see that happen. If my wife is watching, she would probably say that that man is talking about love and romance, and wondering whether that is the man she married. I hope it is, but maybe we do not always show our emotions in the way that we should.

Will the Minister indicate the progress of the Conservative promise of a tax break for married couples? I do not think that we should base marriage on finance alone. People do not get married because of a house, car or good job; I hope people always marry for love. The Conservatives and the coalition have clearly stated that they wish to bring in a tax break for married couples, so I want to hear from the Minister where that features in the process. We heard the suggestion discussed a lot in June and July last year but not much since. In Hungary, it has been proposed that families should be allowed an extra vote on behalf of their children. I am not saying that we should do that here, but I am interested to see what we are doing to assist families with a tax break.

My final point is about breaking up. The hon. Member for South West Bedfordshire hit on the fact that not every marital relationship works out. We all have friends

who tried hard but the relationship fell down. That happens. We must have a process in place to ensure that those who experience marital break up can survive and get by. I hope the Minister will state whether there should be a mediation process. I believe that there should be. Should both parties be committed to that mediation process? Yes, they should. That has perhaps been overlooked. It is all too easy, when a relationship falls down, to walk away and leave it. It is almost a part of the disposable society: the car breaks down, get a new car; household appliances break down, get a new one; the marriage breaks down, move on.

Jessica Lee: Does the hon. Gentleman agree that, although families sometimes break down, it is at that point that the parents need to put the interests of their children first and foremost, and set aside their own differences, for the well-being and the future of those children? To emphasise that, the Government have taken various steps in welfare benefit reforms, as well as through the Department for Education.

Jim Shannon: A lot of things are being done. I am not saying that things are not being done; they are. I suggest that there are some things we can do but have not been. There is an indication that, with the removal of legal aid, people contemplating divorce or separation might decide to do a quickie and get it over. That means that they would not go through the process. As the hon. Lady has said, children who are clearly part of the relationship are pushed aside and forgotten. Will the Minister indicate where mediation should be in the process?

Mrs Helen Grant (Maidstone and The Weald) (Con): Does the hon. Gentleman agree that, in the unhappy circumstance of a breakdown, the emphasis should be on relationship repair, keeping people out of courts and moving on in a much more civilised, less expensive way?

Jim Shannon: I agree wholeheartedly with the hon. Lady. Sometimes, when relationships have fallen down, anger comes to the fore. I feel mediation provides a method for focus, strategy and drive in the direction that she has mentioned. That would be good. It is much better in every case to have mediation rather than battles in court—or out of court, and battles everywhere else. I would like to see mediation from that point of view as well.

Mr Justice Coleridge of the Family Division has said that

“almost all of society's...ills can be traced directly to the collapse of the family life”.

The judge deals with such problems each and every day, and he has knowledge and experience of family breakdowns. He also referred to a

“never ending carnival of human misery.”

We have to move on from that.

We need more commitment from people outside the marriage to make the marital relationship work. We need a commitment to young families, to children and to doing the things that are important. We all have to work at it. We cannot say, “It's great to do that.” We have to work at it and try to make it happen. We need tax breaks from the coalition Government and an indication of how they might work. We also need mediation. If we

[*Jim Shannon*]

have that, there is a chance of people holding on to their relationships, which will ensure that families and children are helped.

Again, I congratulate the hon. Member for Erewash on introducing the debate. It is a good and timely debate, especially as the whole nation is thinking about that special marriage last Friday.

10.11 am

Mrs Helen Grant (Maidstone and The Weald) (Con): I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing this important debate.

The family is a fundamental and vital tool in holding society together. It can provide security, stability and commitment. In the family we learn how to give, how to share, we learn how to be kind and how to care, and we learn how to build relationships. However, the family has been and continues to be badly neglected as an institution, notwithstanding the fact that it is a key element in dealing with issues such as gun crime, knife crime, teenage pregnancy, truancy and antisocial behaviour. The Government need to do everything they can to support and protect the family.

Mr David Burrowes (Enfield, Southgate) (Con): My hon. Friend puts the matter in its proper context, referring to issues such as antisocial behaviour and gun crime. Would she commend the work of Barry and Margaret Mizen following the tragic murder of their son Jimmy? They helped to set up Families United because they wanted to channel their grief into the positive energy of trying to support such families, that being the best way of dealing with those very deep issues.

Mrs Grant: I am happy to commend that special initiative, and the bravery of the individuals affected.

Since the general election, some good and positive family policies have been announced; they include underpinning Sure Start, more health visitors, flexible working and parental leave. However, much more is needed.

I was a legal aid family lawyer for 23 years—I am giving away my age—prior to becoming a Member of Parliament. I declare an interest, in that during those years I saw a relentless rise in family breakdowns. As the hon. Member for Strangford (Jim Shannon) said, Mr Justice Coleridge described family breakdown as a “never ending carnival of human misery—a ceaseless river of human distress”.

The judge went on to say:

“We are experiencing a period of family meltdown whose effects will be as catastrophic as the meltdown of the ice caps”.

From practice, I know that the situation is indeed dire. Our family courts are overstretched and under-resourced, and there are many delays. The situation will be made even worse with the demise of legal aid and the increasing number of litigants in person. This comes at a time when ever more people need family lawyers, and families are marching through the family courts at an ever-increasing rate and with no sign of decline. Sir David Norgrove, in his interim family justice review, acknowledges the capability and dedication of those who work in the family justice system, but he also says

that the family justice system is no system at all. He identifies fundamental failures and faults, and he concludes that our children are badly let down.

Successive Governments seem to have been oblivious to the realities of family life for many—and oblivious, too, to the profiles and personalities, psychological and otherwise, of those who rely on the family justice system and use the family courts to resolve their problems. If those Governments had appreciated the situation they would not have hesitated in comprehensively reforming the family justice system, including the substantive law of divorce, and questions of money and cohabitation; they would also have adequately funded the system, including giving legal aid for family cases.

My firm looked after about 14,000 clients in south London, Surrey and west Kent. The family profile that I shall describe to the House is, sadly, not unusual.

Mother presents with some learning difficulties, a history of violence and a history of drug abuse, but says that she is now clean. She has three children, all girls, with three different fathers. Mother seeks a non-molestation injunction order against X, the youngest daughter’s father, mum having been hit over the head with a pickaxe. There are numerous other incidents of violence. The two older children, too, need injunctions to protect them from X. There are also allegations by the eldest girl that X had touched her in an inappropriate manner. All the girls are having problems at school. The middle girl has been diagnosed with ADHD—attention deficit hyperactivity disorder. The school has threatened suspension because of disruptive behaviour. Mother is on income support and feeling suicidal. All the children are on the child protection register. When I took instructions from this lady, her physical appearance and her demeanour when she came into the room led me to think that she was about 50; only when I asked for her date of birth did I realise that she was only 25 years old. That is a true story.

Tragically, the children growing up in these families are watching and learning from bad behaviour and absent boundaries, and they will breed future generations of victims and perpetrators. It is an absolute vicious circle.

Jessica Lee: I am grateful to my hon. Friend for giving way at this important point in her speech. Does she agree that after taking instruction from such clients, a further question is often posed? We might be dealing with a young mother whose baby may be taken into foster care, and the question is, “Who is there for you? Who can help you and support you?” Sadly, the answer is often no one. The client will have lost the family support network. They may have managed to extricate themselves from an abusive relationship, but they will be on their own and that is such a difficulty.

Mrs Grant: My hon. Friend makes an excellent point, and I could not agree with her more. I know that in her practice she has also come across the very situation I described. The answer to her question is that often, there is nobody, which neatly brings me on to my next point in this sad scenario.

It is worth noting that under the Government’s proposals for legal aid, this highly vulnerable woman, with nobody there to help her, would not be entitled to help with her

residency and contact issues, with her debt problems or with the educational difficulties that she had with her children.

Mr Andrew Turner (Isle of Wight) (Con): Will my hon. Friend help me by saying how many of the 14,000 clients whom she referred to fall below the lady whose story she has spelt out for us? I ask that not because there is a disagreement that there is a problem, but because we must say how much money would be needed to put it right.

Mrs Grant: It is very difficult to give an exact figure, but probably 80% of clients in my family law legal aid practice in south London have a profile very similar to that of the family I described.

When Mr Justice Coleridge made his remarks about family meltdown, he was criticised for sounding off by some in the media and others, whom I think should have known better. That learned judge, of some 20 years' experience at the sharp end, was absolutely right. There have been at least seven reviews of the family justice system since 1989, and yet precious little has changed or improved. We cannot allow this to continue. We ignore the family at our peril. I urge the Government not to avoid the issue but to be brave and robust in dealing with it.

10.22 am

Mr David Burrowes (Enfield, Southgate) (Con): It is a pleasure to take part in a debate on such an important subject, and I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing it. It should be noted that it is only six hours since we were in the main Chamber, and you will forgive me, Mr Meale, for saying that today we have shown our capacity to be full-time MPs without a change in the electoral system.

As all speakers have noted, family policy is not shaped around living in an ivory tower. As my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) said, we are dealing with a policy that affects intractable problems in society—the poverty-stricken estates and the areas in all our constituencies where we see the need to support and strengthen the family, which at its core would provide a stronger community, as the hon. Member for Strangford (Jim Shannon) mentioned, and by its essence would support the weakest and most vulnerable.

When we debate family policy, we are talking not about the washing powder advert, sanitised version of the family, but about families affected by the deepest problems. I draw attention to the 250,000 to 350,000 children living in households where a parent is misusing drugs; barely four in 10 fathers in such families are in any contact with those children. At least 2.6 million children live in households where a parent is a hazardous drinker, and 750,000 live in a household with an alcohol-dependent parent. Those are deep problems, which are affected by our family policy.

Moving away from those statistics, one can drive down into the individual stories. A number of years ago, when taking part in the Centre for Social Justice's study of addiction issues, I came across Ruth, who told me that, once, when politicians and others talked about family values she did not have a clue what they were talking about. She was a victim of drug and alcohol

abuse, and went through the experiences of children's homes and further abuse, which previous speakers have described. In words that have long stayed with me, she said that at the age of eight,

“I longed for someone to cuddle me and tell me they loved me, as I just didn't belong. I cried and I cried but no one heard. My tender heart was breaking.”

Thankfully, Ruth managed to get through the system, going through numerous social workers, homes and allocated workers. The great value of voluntary sector organisations has been mentioned today: Ruth eventually found herself and landed on the help and care of one of those organisations, Victory Outreach UK, run by a Christian couple acting on their own family values of reaching out to others and to the most vulnerable, not just keeping to themselves. They supported Ruth and enabled her to understand what family values were about. She ended up saying that she did understand families and that they were about belonging. She wanted me to ensure that we take account of that as a matter of policy.

Mark was one of my regular clients as a criminal solicitor. No doubt he gave my firm good trade, but he blighted his life and the lives of those around him by being one of the most prolific criminals in Enfield. He was the subject of intergenerational drugs misuse, knowing only what he saw: he saw his mother taking drugs and he continued to take drugs, and from what he saw around him, he knew that the way to get more drugs was to commit more crime. His life was full of potential—he had the potential to train for the Olympics next year in weight lifting, rather than watch the hatch lifting on cell doors in Pentonville and other prisons around London, which is what he spent his time doing. What made a difference to him and made the lights flicker on, just for a while, was the involvement of family.

I remember a time when Mark had gone through a spate of criminality and ended up in the cells of Enfield magistrates court. The bravura of being a high-profile criminal left him, and he did not demand a cigarette as he usually would, but said, tears running down his face, “Where's my father? I want to speak to my father.” That was the big issue for him and what he had missed through his life. The lights flickered on again when Mark himself became a father—he suddenly realised that life was not just about himself and feeding his addiction habits and the criminality around him, but about his responsibility to others and his profound responsibility to the most vulnerable person in his vicinity: his child. That was when he realised that he had a responsibility beyond himself to his child and to the community. Sadly, that opportunity was not grasped the first time round and was taken from him, but it was grasped for the second child. There were people and community organisations around him who helped him to engage with the child. Mark is now, thankfully, turning the corner, being a great dad to his child and trying to break that intergenerational cycle of crime and drug misuse.

Anna Soubry (Broxtowe) (Con): In many ways, what my hon. Friend describes, drawn from his experience as a solicitor, is very similar what our hon. Friend the Member for Maidstone and The Weald said. She too was speaking from the heart as well as from her experience, as was our hon. Friend the Member for Erewash. Does

[Anna Soubry]

he agree that it is imperative that the Government understand and appreciate that lawyers, be they solicitors or barristers, play an invaluable role in bringing families together? We are much more than just lawyers: we bring together other services though our work when we represent people.

Mr Burrowes: I am grateful to my hon. Friend for that intervention. I do not want the debate to be too much of a mutual admiration society. The reality is that lawyers are not top of the bill in terms of our promoting them. What they are about is providing a service, especially to the most vulnerable, and we need to ensure that they are part of the picture—it is quite right that they should be part of it—of supporting and strengthening families.

My point is that we do not need a family policy for just one Government Department. I say that with respect to the Minister, and it is excellent to see her here today. She recognises, as we all do, that family policy affects all Departments. When we look at individual cases, we see that support and welfare structures have tended to treat people as one-dimensional clients rather than as the complex and unique individuals they are, who are part of complex and unique families. We need to look at the whole person and beyond them at their whole family, however dysfunctional it might be. We need to look at the mum, the dad—if he is around—the brothers and sisters and the grandparents. The Government need to assess at all times and in all policies the impact on whole families.

As my hon. Friend the Member for Erewash mentioned, family policy is not simply about having a centrally directed policy. Let us take the example of early years child care. High-quality nursery care provision is important, but it is not just about the Government directing that provision; it is about nurturing children in their early years—indeed, in their early days and weeks. That is why we can all welcome the increase in the number of health visitors and the empowerment that that provides. If the parents are dealing with drugs or alcohol misuse, early intervention could indeed mean intervening as soon as pregnancy has been confirmed and creating the opportunity to prevent more children from entering the intergenerational cycle of abuse.

Supporting early years provision also means recognising the value of parents in their nurturing role. More often than not, it is the mother who is involved in full-time care of children in their early years. I want to see a time when that practice is not the preserve of the few who can afford it but a choice that is available to many.

Family policy is not just about money—and more money. Yes, resources help to provide the opportunity for children to have a good start in life, but the most important element in any family is good relationships, which most likely involve having both a mother and father around and, the evidence shows us, the parents being married. That is where Government can play a role. We are having the debate about the proper incentives and support that can help that family structure.

Finally, family policy is not only about mothers. As I said when I talked about Mark, it is about fathers too. It is worth saying that the time that my hon. Friend the Member for Erewash spoke for this morning—15 to 20 minutes—is roughly the time in the average working

day that that a father 30 years ago would spend with his child. That that has improved is positive: indeed, a father today typically spends about the entire length of this debate—an hour and a half—and perhaps even a bit more time with their child in the average working day.

We must all recognise that the absence of a father has a profound effect, whether that be seen in problems for the children at school or in their future mental health, employment, and involvement with crime or misuse of drugs. That is why we welcome the approach right across Government of encouraging payment by results, giving incentives and measuring outcomes in all those policy areas that have at their heart the health and well-being of children. In particular, that approach will help to support and incentivise relationships that can become so frayed, but that are so fundamental to improving the outcomes for children.

We have spoken about strong family attachment, the supervision of children, establishing boundaries, affection and emotional warmth, all of which are crucial not only to protect children but to enhance their health and well-being. I believe that this Government will be judged by results and should be judged most profoundly on whether we are protecting and doing our best for the most vulnerable and fighting poverty. The way that we will do all that is by strengthening the family.

10.34 am

Fiona Bruce (Congleton) (Con): It is a pleasure to serve under your chairmanship Mr Meale. I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing this important debate. I thank her and my other hon. Friends in Westminster Hall today for all the excellent contributions that they have made.

This debate on family policy comes at a particularly auspicious time following the royal wedding, which I mention because I believe the most important relationship is marriage. I believe that Government should support marriage, particularly for the sake of children—many of which I wish upon the happy royal couple, in the fullness of time.

Like many of my hon. Friends in Westminster Hall today, I have practised in the field of law. I did so for well over 20 years—actually, nearly 30 years, but I was reluctant to say that—as the head of a high street law firm. As a result, I do not have a completely doe-eyed view of marriage. In my time practising law, I witnessed the incalculable cost of relationship breakdown, not least the financial price and the personal price paid by children. However, even after taking that cost into account, I still believe that it can be argued persuasively that marriage is good for the stability of family life and that stable families are good for society.

That being the case, if a key question in policy making is about fairness, why do many parents who choose to marry feel penalised for doing so by our tax system? Fiscal policy that was intended to help single mothers, which is a wholly worthy cause, has created the odd situation whereby some couples who want to live together actually live in separate homes because the tax system rewards them for doing so. On a national scale, that is terribly wasteful, not only because shared housing is more efficient but because, as we have already heard today, cohesive family life brings immeasurable benefits to both individuals and society as a whole.

In a research paper produced by the Christian charity CARE in January 2011, "The taxation of families 2009/10", Phillip Blond, the director of ResPublica, wrote:

"The family is the most fundamental, basic and rooted unit of society... The centre of the family, the thing that holds it together... is the relationship between parents... There is an increased unwillingness for parents to commit to each other which has given rise to a significant increase in cohabitation which in turn has major implications, not only for adults but also for children... A child born to cohabiting parents has a nearly one in two chance of living in a single parent family by the time they reach their fifth birthday, whilst a child born to a married parent has only a one in twelve chance of finding themselves in this situation. The consequences are far reaching. Children from lone parent families—who today constitute nearly one quarter of all children—are 75 per cent more likely to fail at school, 70 per cent more likely to become drug addicts and 50 per cent more likely to become alcohol dependant. Girls from fatherless homes are an over-represented demographic in teen pregnancy statistics, while boys from fatherless families are typically over-represented in criminal gangs."

Even if one's ideals do not include marriage as a public act of commitment, there is evidence that marriage as an institution is mutually beneficial, both to the partners in the relationship and to society as a whole. It is also the most important factor in predicting a child's well-being. Some see supporting marriage through the tax system as regressive, but I see it as progressive.

In the UK, we support single parents financially—directly or indirectly—because it is right to recognise that bringing up children is a hard job at the best of times, particularly if one is more or less alone in doing so. Many single parents are courageous, self-sacrificial and deserve commendation. Sadly, it is also true that many children who grow up in a single-parent household live in poverty. That is not right, but it is also true that almost half of children who live under the poverty line come from two-parent households. It seems wrong that we should incentivise single parents through the tax system to remain single, simply because of the financial benefits that that status affords.

Other research shows that it is harder for couples with children to lift their children out of poverty than it is for single parents. Again, I quote from the CARE paper:

"Although designed to deal with child poverty, tax credits are now locking children into poverty in working households, especially couple households. The latest poverty statistics are those for 2008/2009 which show that of the 2.8 million children living in households with incomes below the official poverty line (60 per cent of median equivalised income), 1.5 million were in households with one or both parents in paid work, 1.3 million (a number that is increasing) were in couple households... The problem arises because tax credits do not take account of the way income is measured for calculating the number of children in poverty. The DWP say that a lone parent with two children would have required net income of £293 per week to be on the poverty line, whereas a couple with two children would have needed £374 per week. However, a couple family's entitlement to tax credits is the same as that for a comparable lone parent family. Couple families therefore have to earn more, but because of the way the means testing formula works they receive fewer credits... However, there is a further problem. As pre-tax income increases, tax credits reduce... In 2008/09, a lone parent would have needed to earn only £95 per week to be out of poverty. By contrast, the couple family would have needed to earn £283 per week."

For a number of years, CARE has been pointing out that many couples would be better off financially living apart than living together. Seventy-eight per cent. of the families in CARE's sample were shown to be better off living apart, even after the additional housing costs

were taken into account. Families find themselves better off living apart principally because of the way in which tax credits are structured and means tested.

Mr Alan Meale (in the Chair): Order. May I ask the hon. Lady to proceed very quickly? I need to call the Front Bench speakers.

Fiona Bruce: Certainly, Mr. Meale. I will conclude my remarks.

Marriage is good for society. It is a public institution as well as a private relationship, and as such society as a whole has a stake in supporting the family unit. If society benefits from the family, as it undoubtedly does, families should benefit from society and its fiscal policies, especially for the sake of our children and their children.

Mr Alan Meale (in the Chair): I thank the hon. Lady for speeding up. It is unfortunate that she was called at the very end, but we have to give the Front Benchers time to speak.

10.42 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship this morning, Mr Meale, after just about five hours' sleep.

I congratulate the hon. Member for Erewash (Jessica Lee) on stepping in to lead this debate, which I understand was secured by the hon. Member for Loughborough (Nicky Morgan). I also thank her for providing me with notice of the particular aspects of family policy that she addressed. Yesterday, I learned that in a former life she was a lawyer specialising in family law, and that background certainly came to the fore today in her very well-informed speech. She praised Sure Start centres in her constituency and made the suggestion, which has a lot of merit, that parenting classes should become the norm. She also said that early intervention is not only about the money but about how it is used. I note that my hon. Friend the Member for Nottingham North (Mr Allen) highlighted evidence on specific early interventions that work in his excellent report—I am sure that the Government are paying particular heed to that report. The hon. Lady also spoke about the speed of the safeguarding process, which we all agree takes far too long, especially for babies and toddlers.

I pay tribute to all the other hon. Members who have spoken this morning. There have been many excellent contributions, covering the whole gamut of family policy issues. We have heard some harrowing cases that have been used not to sensationalise but to highlight the worst that can happen when families break down, or when they were never whole or healthy in the first place. There is a cycle of damaged people having children, who are then in the system in one way or another, throughout their lives, from day one. I think that we are all united in an ambition to end the cycles of deprivation that we know exist right across the country, despite decades of initiatives and interventions.

Although the debate has been very well-attended, there are other hon. Members who would have wanted to be here but are no doubt tied up with campaigning around the country. Many of them will be speaking to families at this very moment, about the issues we are discussing here.

[Mrs Sharon Hodgson]

It goes without saying that families are the bedrock of our society, and one of the most important duties of Government is to support the parents of today in providing a stable and loving environment in which the parents of tomorrow can flourish. No two families are the same, however, and the needs of parents and children vary widely, making developing policy in this area as difficult as it is important.

On safeguarding, we are clearly waiting for the outcome of the Munro review, which was commissioned following the tragic case of Peter Connelly, and I would not want to presuppose what any of its final recommendations might be. Needless to say, I welcome Professor Munro's initial findings, and I look forward to the final recommendations and to the Government response. It is welcome that the Government are seeking the advice of the professionals who deal with at-risk children and families every day to find out how we can improve the systems to help those children.

I have not been working on this particular area, but I think that I am safe in saying that we accept the need for a balance between the guidance and processes that adults and professionals working with children are given, and their ability to act on the basis of their judgment and to respond swiftly in co-operation with other agencies when a risk to a child's safety or well-being is identified. There are concerns about whether the cuts to local authority budgets will mean a reduced social worker work force in some areas; many local authorities certainly expect an increased case load, and foresee problems due to cuts to police, mental health and primary care trust budgets. I hope, therefore, that we can implement any sensible changes quickly and seamlessly, to ensure that no children slip through the gaps in the meantime. As the hon. Member for Erewash described in highlighting a particularly concerning case, the unintended consequences of our care system often do not help or improve the life or outcomes of an already damaged child, and we must do all that we can to ensure that the system does not cause harm.

An area in which I have done a lot of work is that of early years and early intervention. This is another very important topic, and although the Government have been making some positive noises, it is actions that count, and their actions, so far, have left a lot to be desired. Again, they have sought wise counsel, and we have seen some very thoughtful, and at times convergent, reports from my right hon. Friend the Member for Birkenhead (Mr Field), my hon. Friend the Member for Nottingham North and Dame Clare Tickell.

One of the programmes that my hon. Friend the Member for Nottingham North praises in his report is that of family nurse partnerships, in which young, first-time parents, possibly from families with multiple problems, are given help and support from the point of identification, past birth and into the early years of their child's life. The intervention does not focus on just the health of the mother and the child—important though that is—but crucially on the aspirations that parents have both for their child and for themselves, and on how to achieve those aspirations. I have heard great things about the results, and look forward to shadowing a family nurse in my constituency later this month to see the work for myself as part of the Royal

College of Nursing's campaign for everyone to shadow a nurse. The Government have made a commitment to reach 12,000 families in that way by the end of this Parliament, but I hope that, given the strong recommendation in the Allen review, the Minister and her colleagues will look at rolling that kind of intervention out more widely, particularly as it focuses wholly on families who might not actively engage with other services, such as Sure Start children's centres.

I also welcome the fact that the Minister has assembled an early years working group to advise on further policy development in this area, but I hope that she will listen to the group if it turns around and says that what she and her colleagues have done to early intervention funding—cutting the budget by some 22% this year and removing the ring fence—negates what we ought to be trying to achieve, which we all agree is to improve outcomes for all children. I have been trying to get that message across for a while now, but do not seem to have had much success, with the Opposition day debate on children's centres last Wednesday a case in point. I have to place on record the fact that the Minister was very much missed from that debate, and I sincerely hope it was not through illness. The Under-Secretary of State for Education, the hon. Member for East Worthing and Shoreham (Tim Loughton), might have his eye on her job. He is a very charming man, but I have to admit that I have grown to enjoy my little jousts with the Minister, so I am very pleased to see her in her place today.

On the afternoon of last Wednesday's debate on children's centres, the OECD published a report, "Doing Better for Families", that called on Ministers to rethink their decisions to cut support for families, particularly support for early years services. The Government enjoy quoting OECD reports, so I hope that they will listen to this one. Perhaps the Minister will give us a few comments in a moment.

On wider policies affecting families, one key element that a family needs to thrive is the parents' ability to earn a decent income with which to bring up their children. In the vast majority of cases, that means that they must be able to organise child care in order to go out to work. I do not want to take this collegial and serious debate down too political a route, but it is clear to most people that many of the choices made by the Minister's colleagues over the past year have not been a great help to ordinary working families in that respect.

One decision that keeps coming up relates to working parents' ability to pay for early education and child care. Hon. Members will be aware that Save the Children's report on child well-being, published yesterday, places the UK 23rd out of 43 developed countries on that measure. That might be the subject for a later debate, but Save the Children's chief executive, Justin Forsyth, said that the Government should reverse their cut to support for child care in tax credits, which reinforces what I have heard time and again from the sector.

I wanted to say a few more things, but I will conclude, as I think that everybody here wants to hear the Minister's response to the debate. I am grateful to the hon. Member for Erewash for leading this debate. Given the day and many Members' commitments to the campaign trail—and to catching up on sleep—it has proved to be a useful discussion. I hope that we will have many more opportunities to continue this vital discourse.

10.52 am

The Minister of State, Department for Education (Sarah Teather): It is a great pleasure to serve under your chairmanship, Mr Meale. I congratulate the hon. Member for Erewash (Jessica Lee) on—I was going to say winning this debate, but I am not sure whether “winning” is the right word, considering what time she probably got to bed last night. There is some irony in discussing family policy in the least family-friendly institution in the UK. I congratulate all hon. Members on being here and on an interesting and informative debate. I particularly enjoyed the opening remarks of the hon. Lady, which addressed family policy across the piece. I doubt that I will be able to respond to everything in the time remaining, but I will do my best to pick up on as many of the points raised as I can.

I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for her profound affection for my colleague, the Under-Secretary of State for Education, the hon. Member for East Worthing and Shoreham (Tim Loughton). I will of course pass on her remarks to him. I am sure that he will be terrified, but I will draw his attention to her flattery of his great skills.

The hon. Member for Washington and Sunderland West said that this goes without saying, but I think it is worth saying again: strong and stable families are the bedrock of a strong and stable society. They are key to ensuring that children grow up in a loving and nurturing environment and develop into healthy, happy, successful adults. The quality of relationships matters. Adults in good, stable relationships have better life outcomes, and so do their children. Families are also the social capital that builds and sustains neighbourhoods and communities, as the hon. Member for Maidstone and The Weald (Mrs Grant) said eloquently in her introductory remarks. They are the basic unit of society, and they are where we learn the social skills we need to survive and flourish in life. They are where we learn how to form relationships with other people, and the success of those relationships will affect our life outcomes as well as those of our children.

The make-up of the family unit is changing, as several hon. Members said. Families come in many varied shapes and sizes, including single-parent, multi-generational and foster families. Fathers are becoming more involved with their children, which I believe is a positive step forward that the Government should do much to support. Despite the many different changes referred to by the hon. Member for Strangford (Jim Shannon) in his speech, families are, as he also said, happy on the whole with family life. Most families say that they are fairly or very happy; 93% of respondents to a recent BBC poll said that they were happy with their family life.

However, it is vital that we support families as much as we can, and this Government believe that we should do much better. It is our ambition to make this country the most family-friendly in the world. At the heart of all our policy making is the determination to ensure that family services are designed around parents' needs rather than the other way around, and take account of changing work patterns, the evolving roles of parents and the financial pressures families face.

The hon. Member for South West Bedfordshire (Andrew Selous) said that some people believe that families are not the Government's business. Sadly, many politicians

who consider themselves progressive believe that the family is not an area in which the Government should be involved. There is sometimes a dichotomy between believers in a small state and in a big state regarding what they believe the role of Government should be. However, I believe that the Government have an important role in supporting families, systematically removing the barriers that prevent them from thriving and creating the right environment through legislative change, financial systems and the design of public services so that families can be the best that they can be. That matters to our children, and to their children as well.

It is also important that we intervene to support vulnerable families when things are difficult. All families go through times when things are harder. We know, for example, that there are pressures on families when they have a first child or when children move into the teenage years. Those with many social networks might manage to get through such times, but if life is stacked against people, as in some of the examples given in several hon. Members' speeches—if they suffer from a mental health problem, have unstable relationships, live in overcrowded housing or have a drug or alcohol problem—it is much more difficult to do so.

That is why the Government are investing in extra health visitors, for example, to support people in the early years. It is why we are doubling the number of family nurse partnerships—to refer to the remarks of the Opposition spokesperson—and why we feel so strongly that Sure Start matters and must be focused particularly on families that need support at that time. It is also why we have begun a new campaign to support families with multiple problems to ensure that they get the support they need, rather than being passed from one service to another.

We will shortly consult on new proposals for family parental leave, an issue about which I feel strongly. Several hon. Members discussed fathers and the need to involve them more. Involving fathers at an early stage makes a difference to children's outcomes. If the worst happens—if all the other things we are doing to support relationships do not work and the relationship breaks down—fathers who are engaged at an early stage are much more likely to remain engaged later.

I am running out of time, so I will not be able to speak about all the things that I wanted to address, but I will refer a little to our work on relationship support, which I believe is important to sustaining families who might go through difficult times, as any family will. As the hon. Member for South West Bedfordshire said, the Prime Minister recently announced that my Department will fund relationship support to the tune of £30 million, a substantial increase. As part of that, we are also providing funding through a series of voluntary sector organisations—at the moment, telephone and internet services are going out to tender—to ensure that all sorts of relationship support mechanisms are available to families.

The hon. Member for South West Bedfordshire will be pleased to know that we already support prisoners' families with £1.3 million through about six voluntary sector organisations. I agree that it can have a dramatic impact on reducing reoffending. I have long been interested in the ideas that he mentioned involving greater availability of guidance and support before marriage. Having the

[Sarah Teather]

skills to negotiate difficult times and knowing where to go for support can make a difference when couples hit rocky periods.

The work we are doing—

Mr Alan Meale (in the Chair): Order. We now move on to our second debate. Can Members who are not going to participate in it please leave quickly and quietly?

NHS Prescribed Medicines

11 am

Margot James (Stourbridge) (Con): It is a pleasure to serve under your chairmanship, Mr Meale. I am grateful for the opportunity to open this debate on the crucial matter of securing the supply of medicines in the interests of the patients for whom they are prescribed.

Ever since the pound gained against the euro a few years ago, the UK has experienced shortages of medicines, because some stakeholders find it more profitable to sell medicines intended for use by patients in the UK abroad, where higher prices, aided by the exchange rate, will prevail. Ministers are making efforts to resolve the problem, and I will return to the action that is being taken when I discuss some of the potential solutions.

First, I want to focus on the nature and scale of the problem and its effects on patients and pharmacists. It used to be the case that, if someone was prescribed a medicine by a GP, they went to their local pharmacy, handed over the prescription, waited for a few minutes and then went home with the pills. Occasionally the pharmacist would apologise, because they did not have the item in stock, and the patient would return the next day to collect their medicine.

Some years ago, I was responsible for the various medicines prescribed to my elderly parents. I was annoyed to find that, sometimes, the medicine that I collected from the pharmacy was Greek or Spanish, with inadequate English language directions. The pharmacist had dispensed a parallel imported drug, on which extra profit had been made by the wholesaler and, possibly, the pharmacist. Back in 2005, parallel imported medicines accounted for 18% of the value of branded medicines dispensed by UK pharmacies.

The tables have now been turned and our continental partners are being prescribed medicines intended for the British market that have been subject to parallel export. This has led to patients in Britain being prescribed a medicine, taking the prescription to their local pharmacy and being told that the product is not in stock and that it might be a few days before it will be. Patients are advised that they can shop around but, if it is a particular type of drug that is routinely demanded at a higher price on the continent, the chances are that neighbouring pharmacies are experiencing the same problem in accessing supply.

The effect of that shortage can range from minor inconvenience to potentially serious health risks. The BBC programme, "You and Yours", featured the problem at the beginning of April. It interviewed an organ transplant patient who needed continuous treatment with the drug Rapamune to ensure that their body did not reject the new organ. The very idea that such a drug should be hard to obtain is absolutely scandalous, which is also true of that person's experience.

How widespread is the problem? *Chemist and Druggist*, the pharmacy trade publication, conducted a survey of pharmacists last September that highlighted the difficulties caused to pharmacists, 90% of whom are not profiting from the shortages caused by selling medicines abroad. The survey found that pharmacists have had to turn patients away, because they had not been able to source the medicine prescribed. Moreover, 93% of pharmacists had at some stage had to ask the doctor to change a

prescription in order to secure the supply of something similar. More than two thirds of pharmacists are spending between one and five hours a week chasing around, trying to get hold of out-of-stock medicines. That is a complete waste of pharmacy time and, now that the Department of Health has agreed to pay for that time, it is also a waste of NHS money.

Research conducted at the end of last year by the Devon local pharmaceutical committee supports the findings of the *Chemist and Druggist* survey and provides additional insights. Seventy pharmacists monitored medicine supply issues for a two-week period and identified 537 such issues, which was up from the 379 issues reported in a similar study by the same group a year previously. The problem has, therefore, been getting worse.

The Devon audit found that the average delay caused by one of those instances to the medicine being available was four and a half days, which is pretty much a whole working week. It was found that those delays caused minimal harm in 13% of cases, but, in just over 5% of cases, the harm was defined as moderate. For example, a missed dose of an anti-epilepsy medicine caused a patient to fit. In nearly 20% of those cases, the pharmacist had ultimately to go directly to the manufacturer to order the medicine via the emergency procurement procedures.

I have mentioned that the principal cause of the problem is the export of medicines intended for UK patients to other European markets. I should point out that it is not possible to prevent the export of UK medicines per se, because that would be contrary to the free movement of goods guaranteed by European trade laws. We might, therefore, expect the same problems to be experienced by other countries when the exchange rate boot is on the other foot. There is no doubt that, during the years when extra profit was obtained by importing medicines into the UK, there were similar shortages of medicines in some countries, such as Greece and Spain. There was, however, no such shortage in other markets such as Germany, so we cannot lay the blame for this problem on the liberal trading laws of the EU, which are something that I think we all support.

The cause of our problem goes beyond the trade in medicines across national boundaries. The law governing the supply of medicines derives, in part, from article 81 of European Union directive 2001/83. The directive simply requires the maintenance of appropriate and continued supply of medicinal products by marketing authorisation holders and distributors. It was introduced into UK law via statutory instruments in 2005. At that time, the UK Government did what I would applaud in all normal commercial situations. They incorporated the directive into UK law with minimal—well, zero—gold-plating. It was, in fact, a textbook example of how we would want our Government to deal with European regulations under normal commercial circumstances. Medicines, however, are different from other products, especially medicines that treat serious conditions such as cancer, Parkinson's disease, which is another area in which there have been significant supply problems, and organ transplant patients. Sometimes, medicines can make the difference between life and death, which is why the research, manufacture and promotion of medical products are such highly regulated activities. That is not true, however, of distribution. The reason for the difference

between the UK and continental markets, such as Germany, Belgium and France, is that those and other markets that signed up to the EU directive incorporated their own more stringent conditions in respect of securing a continuous supply of medicines.

Before I conclude by giving the Minister some recommendations on action to resolve the problem, I want to acknowledge the efforts that the Minister and his team have made thus far to improve the safety and supply of medicines to the public. Efforts have also been made by manufacturers, wholesalers and pharmacists. The Department of Health hosts a supply chain forum, which has recently published best practice guidance and will meet again in a few weeks' time. I welcome the steps being taken by the forum to address the problem. Participants represent all stakeholders in the complex system of medicine supply. However, I want to ask the Minister whether patients are represented, because I have not seen any reference to patient organisations in the notes that I have seen from the meetings thus far.

All stakeholders involved in the group have committed to the principle of enabling a minimum standard of 24 hours to supply any prescribed medicine to a pharmacy, and manufacturers and wholesalers will risk prosecution if they breach the code of ethics in relation to that supply standard. The Government have promised to raise the standards for wholesaler dealers' licences, which I very much welcome.

I wish all those actions well, but I am concerned on two fronts: first, that those actions do not go far enough and, secondly, that the MHRA, which is charged with policing the system, is not adequately resourced to monitor and enforce the recommendations. Given the financial incentives to sell certain products abroad and the number of traders with wholesale licences in the UK, my concern is that the difficulties of policing all the organisations, combined with the lack of prosecutions to date—I think that there have been nil prosecutions—for breaching existing duties to supply medicines do not bode well and make me think we need to strengthen those existing duties.

I want to express my appreciation to the British Association of Pharmaceutical Wholesalers and the Association of the British Pharmaceutical Industry for the help they have given to me during my research for the debate. The ABPI and the BAPW have called on the Government to strengthen the existing duty of wholesalers, and indeed all stakeholders, to supply medicines within 24 hours in the way other European markets have done. The introduction of what has become known as a patient service obligation, which obliges wholesalers to guarantee permanently an adequate range of medicines, is required to enable patients to receive an NHS prescribed medicine in the necessary time scale and to allow pharmacists and dispensing doctors to receive a medicine following its order and dispense it within 24 hours of a patient presenting the prescription.

Manufacturers and wholesalers should be obliged to hold buffer supplies, as those who operate to a high standard currently do, to help pharmacists to manage spikes in demand. That is really no different from obliging banks to hold capital reserves. Banks have recently been required to hold a higher proportion of capital on reserve, and I am calling for the same principle

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to be applied to the essential supply of medicines. Public health is as important as the supply of money, so why should similar precautions not be applied?

Finally, the patient service obligation needs to be backed up by the more stringent regulation of wholesalers. Germany and other countries place much stricter obligations on wholesalers than those that are required in this country. They are required to have appropriate facilities to hold a full range of products and a reserve supply of those products. Indeed, I am not sure why we need so many wholesalers in the UK. Another aspect to the problem the MHRA has in policing the system is that we have 1,800 licensed wholesalers. That number leapt up mysteriously over the past two years in response, I suspect, to the exchange rate. There are just 39 wholesalers in France, 90 in Belgium and six in Denmark. Across the EU, only Germany has more wholesalers than the UK.

I trust that I have given the Minister food for thought, and I urge the Government to consider more rigorous regulation in this essential area of the provision of medicines to the general public. I hope that the Minister will share with us some of his forward thinking about how the steps he has taken so far will be policed, monitored and might pan out over the coming months.

11.15 am

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Stourbridge (Margot James) on securing the debate and on setting out so clearly the issues that affect many of our constituents. Ensuring that NHS patients have access to the medicines they need when they need them is absolutely vital. My hon. Friend is right to have described the situation in such terms herself. I can assure her that the Department takes the supply issues she has raised very seriously indeed.

It might be helpful if I start by giving a sense of the scale that we are talking about. There are about 16,000 licensed presentations of medicines. That covers different formulations such as tablets, capsules and injections, and different dosages. The most recent figures record that there were more than 10,600 community pharmacies in England and nearly 900 million prescription items are dispensed each year. The production of medicines is truly a global business, with ingredients supplied from all over the world. In such a large and complex system, there will from time to time be problems with the supply of medicines. However, where there is evidence of systemic or real issues, the Government need to act and intervene appropriately.

Such problems are not new, and nor are they confined to the UK. They can occur for a number of reasons; for example, there might be manufacturing problems or difficulties in obtaining raw materials. They can also occur as a result of distribution problems, or through the parallel exporting of medicines when exchange rates or prices make that a lucrative trade. The increasing trend towards the concentration of manufacture within global pharmaceutical companies has exacerbated the situation. That means there is little flexibility if problems are experienced at particular manufacturing sites. Production schedules have to be planned months in

advance and, if one company is unable to supply a product, others may be unable to make up the shortfall at short notice. Therefore, there is a need for the regulatory framework that my hon. Friend talked about.

Supply issues can also arise as a result of the parallel trade. The strong euro means that parallel imports into the UK have declined and the incentives for UK medicines to be exported to other European countries have increased. I stress that, as my hon. Friend said, parallel exporting is legal and that it can be carried out legally by anyone who holds the necessary licences under the medicines legislation. She has rehearsed some of the statistics on the number of companies that have such licences, and as has rightly been said, prevention of the export of UK medicines would be contrary to EU trade laws.

However, there are legal duties on marketing authorisation holders and manufacturers and distributors within the limits of their responsibilities to ensure appropriate and continued supplies to pharmacies, so that the needs of patients are met. The Government work closely with pharmaceutical companies, wholesalers, pharmacists and the NHS to ensure that the system delivers medicines to patients quickly. They also monitor individual supply problems and work closely with individual manufacturers to prevent shortages, and manage consequences when there are shortages.

As has been said, the Department has published joint best practice guidelines with the Association of the British Pharmaceutical Industry and the British Generic Manufacturers Association in order to help manage shortages as and when they arise. Those give guidance to companies on what to do in the event of a shortage, and recommend that companies communicate with the Department as soon as possible about impending shortages that are likely to impact on patient care. The Department, the Medicines and Healthcare Products Regulatory Agency and pharmaceutical supply chain stakeholders—the manufacturers, wholesalers and pharmacy representatives—continue to work collaboratively, better to understand and mitigate the impact of supply difficulties associated with parallel exports, so that patients receive the medicines they need.

We have also established, as was said, the medicine Supply Chain Group as a forum for organisations to meet and exchange information, understand the causes of the supply problems, including those due to parallel trade, and seek possible solutions. The Supply Chain Group continues to meet with individual companies in order better to understand the issues, and to explore ways of mitigating them and to take forward the action points agreed at the ministerial summit last year.

My hon. Friend asked about lay and patient representation on that body. As I understand it, the British Medical Association plays a part in acting as a conduit for that voice. There is a good case for looking at whether that should be changed, so that such representation is not simply through the BMA and that patients have their own voice in those deliberations—not least given the Government's commitment to the introduction of Health Watch England and the desire to see a greater place for patient interests across the system.

The summit made a number of recommendations. The first, as we have discussed, was the publication of "Best practice for ensuring the efficient supply and distribution of medicines to patients" in February 2011.

That also offers practical guidance on the use of quotas by manufacturers. Also published was the joint guidance on the legal and ethical obligations on the supply chain, “Trading Medicines for Human Use: Shortages and Supply Chain Obligations”, in November 2009. That was updated and republished in December 2010. We also developed and are maintaining a list of products in short supply. That is published on the Pharmaceutical Services Negotiating Committee’s website, so that no one—I repeat: no one—trading in those products has the excuse that they are not aware of supply difficulties. The MHRA is conducting a series of targeted inspections aimed at those who jeopardise patients, in order to ensure that they comply with their supply duties and that those who breach existing duties face the consequences.

My hon. Friend said that there have been no prosecutions. The intention is to change behaviour and ensure compliance, rather than undertake regulatory intervention, which would result ultimately in suspending licences or in criminal proceedings, although in many other cases licences are suspended for other reasons. As a result of those arrangements, medicines are getting through to patients. I am concerned, however, to hear the examples given by my hon. Friend today. As she documented, there are in some cases completely unacceptable periods of delay. However, the latest evidence from the pharmacies at the end of the supply chain is that in England there are supply problems with approximately 50 products.

My hon. Friend raised a point about standards and the work being done by the MHRA to ensure that packages are consulted on to improve quality standards across the system. The approach to inspection is a risk-based one involving targeted inspections, and there has been an increase in the number of staff to support the resulting increased work load. I stress that the 50 products currently identified as being in short supply have to be seen in the context of the 16,000 licensed presentations of medicines. The affected medicines are used to treat a wide range of conditions. They include treatments such as Femara for breast cancer, Cipralex for depression and CoApprovel for hypertension. For that reason, the guidance we issued in February recommends that pharmacy and general practice staff should advise patients to request their prescriptions in good time. Most companies have put contingency arrangements in place, so that pharmacies can obtain supplies of medicines directly from them if they are unable to obtain them from their usual wholesaler. The time taken for supplies to be obtained in that way varies from company to company, depending on the nature of the arrangements, but we have been assured by the companies concerned that they endeavour to supply their products as soon as possible. However, I will draw the attention of officials and others to the evidence that my hon. Friend has drawn my attention to today.

I would like to take this opportunity to pay tribute to the efforts made by pharmacy staff, who have worked tirelessly to ensure that patients have not gone without their medicines—it is key to stress that. Patients and

prescribers also have an important part to play. Prescribers should, where appropriate, consider a change in medication for patients, and advise patients to request prescriptions in good time where there are supply difficulties.

My hon. Friend referred to article 81 of directive 2001/83 as a textbook example of the UK Government’s not gold-plating such a regulation, but said that in this case, that was possibly not the thing to do. I hope that I have outlined a series of measures that this Government are taking to secure the supply chain and to ensure that everyone in the supply chain understands their obligations to patients. I stress, however, that we have not ruled out taking any of the further steps she has suggested. We want to be sure that we have proper evidence of resulting harm to the patient interest before we act. That is why we are keeping matters under review, and targeted inspections will play their part in gathering further evidence. If there is other evidence from other parts of the supply chain, we would certainly want to look at that carefully. The London School of Economics is doing some comparative work, looking at other jurisdictions where such public service obligations have been introduced, and that will also inform our thinking.

I am grateful to my hon. Friend for raising these important matters. I assure her that the Government are committed to patients getting their medicines quickly. If all parties in the supply chain adopted the best practice guidance issued in February, the problems caused to patients by parallel trade would reduce. The guidance sets out the aim that, under normal circumstances, pharmacies should receive medicines within 24 hours, although there may be circumstances where that is not always the case. We do not believe that increasing the regulatory burden at this point is the right answer, but we will keep that under review. The Government will continue to work closely with all those involved in the supply chain to ensure that NHS patients get the medicines they need when they need them. That is our enduring commitment.

11.26 am

Margot James: Thank you, Mr Meale, for your chairmanship. I thank the Minister for his generous and comprehensive response. I remain concerned that the measures do not yet go far enough, but I am reassured that measures have been put in place and that the 60 or so medicines affected will be monitored closely. I hope that I am wrong and that it will not be necessary to introduce more stringent regulations, because I am a great campaigner against increasing the regulatory burden on industry. Patient safety, however, has to be paramount. I am not yet convinced that the measures will have the desired effect, but I am willing to keep an open mind, monitor the situation and bring any further evidence of problems to the Minister.

11.27 am

Sitting suspended.

Private Finance Initiative Hospitals

2.30 pm

Mr Dave Watts (St Helens North) (Lab): It is a pleasure to have the opportunity to debate this subject under your chairmanship, Mr Meale.

Before I set out my concerns, I put on record my appreciation and that of my colleagues for the work of the excellent St Helens and Knowsley NHS Trust. I pay tribute to its doctors, nurses, technicians, cleaners and all its support workers, who provide an excellent service to my community and to the communities of my colleagues.

I am pleased to have the opportunity to debate this important subject. St Helens and Knowsley is a five-star hospital trust, benefiting from excellent staff and management and delivering well run hospital services that are clean and safe. The trust now provides state-of-the-art treatment to the people of our communities. I asked for the debate in an attempt to discover the details of the secret discussions currently taking place between the trust, the strategic health authority and the Department of Health.

The trust provides services mainly for St Helens, Halton and Knowsley, but for the wider north-west community as well. Its burns and plastic surgery department provides treatments for patients over a wide area, including the Isle of Man, Cheshire and north Wales, altogether serving a total population of more than 4 million. The trust operates on two sites, St Helens and Whiston. The new hospital opened in 2010 and, as is the norm for the trust, did so on time and on budget. There was new hospital investment of £350 million, so the trust now boasts world-class services at the St Helens site as well as the newer Whiston site.

The trust has a strong performance record: three stars, a “double excellent” rating and performing above average in all key indicators. It is one of the few trusts to have achieved the maximum overall score in the auditor’s local evaluation. The hospital trust is well run and well managed, and the financial problems it faces are not of its making. It has managed to achieve high standards over the past five years despite having a low level of funding and extremely high levels of demand—its accident and emergency units have some of the highest levels of use in the whole country—and serving a community with poor health indicators. The trust used to operate from two run-down main buildings, one of which was a workhouse before being turned into a hospital, and from 40 separate sites in total. Imagine the difficulty of providing health care to a community when operating from so many different sites, with the related management problems.

The trust’s current problems stem from it having to become a foundation trust hospital by 2014; that is something the Government are insisting on, not something the trust is attempting. To achieve that aim, the trust must make efficiency savings. Every hospital, as we know, is having to struggle to make the efficiency savings expected by the Government. On top of the efficiency savings to meet the Government’s financial requirements for FT status, the trust must save a further £20 million a year to pay for the PFI estate. That is impossible and will not happen.

The trust commissioned its own report, I think by Coopers & Lybrand, on the feasibility of those savings. Coopers & Lybrand came back and made it absolutely

clear that such levels of efficiency savings are not possible. Efficiency savings are already being made, but the requirement to save a further £20 million a year is impossible to meet. At the same time, the trust must run a state-of-the-art hospital on virtually the same budget as when it had three worn-out hospital buildings in St Helens.

The Government need to act, and to do so transparently, but the discussions so far have been held behind closed doors. The local MPs believe that such important discussions taking place in private is totally unacceptable. The community, health professionals, local MPs, councillors and the House need to have the information in the public domain, so that we know exactly what is going on behind closed doors and what options the Government are considering. Despite written questions, letters to the Minister and an oral question last week, that information has still not been put into the public domain. That is not acceptable. We wonder what is happening not only in our trust but in others. Are the same sort of secret discussions taking place throughout the country? If so, why are they taking place behind closed doors, instead of openly and transparently?

In case some people wonder whether a new hospital was required, as I said earlier, the trust was previously working out of 40 buildings, including two old hospitals, one a former workhouse. Clearly, new hospital buildings were needed. Furthermore, the health problems of St Helens, Knowsley and Halton are extremely well known: we have poor health indicators, high levels of deprivation and had poor medical services for many years. Before the new hospitals were built, we had poor health services provided in poor buildings.

One of the health indicators is that St Helens, Knowsley and Halton males are likely to live 10 years less than the national average, and women seven years less. The poor health indicators are partly owed to the poor lifestyles of many of our constituents: smoking, obesity and drinking levels are all higher than the national average. The local partnership is addressing some of the issues successfully, but not all our problems are related to lifestyle; we also have an industrial past to deal with and high levels of poverty. In my constituency of St Helens, the traditional industries of coal, chemicals and glass left a legacy of poor health. My colleagues in Knowsley and Halton would say the same.

Not everyone is in favour of PFI schemes; they have their critics. Frankly, I would welcome a change in the rules, which are controlled by the Treasury, because they are inefficient and ineffective. I want my hon. Friend the Member for Halton (Derek Twigg) and his Front-Bench colleagues to consider whether there is a better way than PFI to provide the capital required for public services. At present, however, no political party—not the Liberal Democrats, nor the Conservatives, nor the Labour Opposition—is proposing to change the Treasury rules. I understand that the Conservatives are looking at a new vehicle, resembling PFI mark 2, which the Government claim would cost the Treasury and the public purse less and provide better value for money, but all Governments say that when introducing new schemes, and few succeed in achieving those aims. I wish them well with delivery, but I suspect that they will have similar problems to those the Labour Government had when introducing our PFI schemes.

The private finance initiative has achieved a great deal. It has created Britain's biggest hospital building. The previous Labour Government delivered 118 new hospitals—88 PFI schemes and 30 with public capital, amounting to a £10 billion investment in our hospitals. In its last report in 2003-08 report, the National Audit Office confirmed that PFI schemes provided guaranteed price certainty. Much hospital building before the PFIs—under the old health Department schemes—came in well over budget, and delivery was delayed. Even before PFI schemes, hospital building programmes often came in at a much higher budget than expected when they were first approved.

The second issue, which was often raised by the then Opposition, is that health investment was simply unaffordable. That is not true. Most of the investment in our health and public services was made at a time when the national debt was lower than in most European countries. On top of that, under the Labour Administration we had long-term economic growth, unlike what we are seeing now under the new coalition Government. However, when the world financial crisis came, it hit countries such as the UK, which had large financial sector industries: the USA, Britain, Ireland and Iceland all had large financial institutions and were hit harder when the financial crisis came. It is worth remembering that in 1997, 50% of our hospitals had been built before 1948. Now, only 20% of hospitals remain to be modernised. It was a substantial achievement by a Labour Government to turn around the hospital-building programme as we did.

I do not accept the point, which I am sure that the Minister will make, that in the past the coalition and its friends called for greater regulation of the banking industry—I am moving a little away from PFI schemes—and one reason given was that it was unaffordable. Banking regulation rules were weak, and I accept that they needed to be changed, but I will take no lessons from the Conservatives, who claimed for many years that we had too much regulation and that we needed to loosen our grip on the financial institutions.

Why was such major investment required? The Government would have us believe that before 1997, Britain was a success story. That is simply not true. It had run up massive public debt not to invest in Britain's public services and future, but to pay for mass unemployment and economic failure. It had failed to invest in our schools, hospitals, roads and railways. Many of my colleagues have been involved in local government and we remember the state of our public buildings before 1997. I remember schools and hospital with holes in the roof; I remember the shortage of nurses and doctors; I remember people waiting six or seven years for operations. The investment the Labour Government need to put in to deal with the problems caused by the preceding Tory Government was clear for anyone to see.

Returning to the main point of the debate, I want the Minister to be open and transparent. I want him to set out his own views on the options open to the hospital trust in my constituency. I want him to agree today to publish all the documents on discussions between the Department and the trust, which he has failed to do so far. I have one here, but we have not seen the other documents. There is only one option. The Government

should invest in and reflect the cost of running the PFI scheme at St Helens and Whiston hospitals by increasing the budget in proportion to the increased PFI cost.

On 26 April, during Health questions, the Minister stated that the Government are not and will not seek to privatise my trust or any other trust. Will he explain why his Department produced a document containing three options, of which the first is a national solution; the second is a merger with another trust, although no one knows where that would take place, and the Minister and the Department seem unwilling to discuss it; and the third option, which requires a proper explanation, is a joint venture with a private provider? I am not sure what that means, but most people I have spoken to in the health industry in St Helens, and my political colleagues believe that that is an element of privatisation. I would welcome the Minister setting out what the comment in the document about a joint venture with a private provider means. I have here a copy of that document, and the Minister should explain why it was produced, what the implications are, and provide the assurances that we seek today.

The Minister of State, Department of Health (Mr Simon Burns): I am somewhat confused. At the beginning of his speech, the hon. Gentleman made an important comment: that one problem is that no documents are available for people, including MPs, to see. As he is now quoting one of those documents, surely it must be in the public domain. He has produced it at this debate, and I know that it has been written about in the *Liverpool Echo*. Is there not a contradiction in what he is saying?

Mr Watts: It seems that the Minister is the only person who has had difficulty getting hold of a copy. Mine is a leaked copy, but it is clear that it is from the Department of Health. When I raised the matter with him, he seemed to have great difficulty in finding it. He should get a grip on his Department, and find out what documents are being produced and why he is unable to obtain a copy when he needs one.

Mr Burns: I do not want to sour the hon. Gentleman's speech, but during our private conversations to identify the leaked document when he first mentioned it, he did not seem to be 100% aware of exactly what it was, so I had to look for needle in a haystack.

Mr Watts: I understand why the Minister asked for more detail, because another document was also produced. I do not have a copy of that, but I hope that when he returns to his Department he will publish the second document. I understand—the Minister will clarify whether this is the case—that when the document was produced, and the option for private sector involvement partnership was suggested, my local trust refused to endorse that option. I am told that it endorsed it only on the back of the fact that a sentence would be included stating that it was at the direction of the Department of Health—not only was the Department involved in the discussions, but it was driving them. I understand that when the document went back to the Department, it refused to accept the amendment to the original document. That leads me to believe that the Government are trying to influence the trust to go down a path that it does not want to go down, but that they are unwilling to do so publicly.

[Mr Watts]

The only way to clarify the matter is for the Minister to guarantee that he will produce the original document, a copy of which I have, and the second draft, so that we can see what is going on between the Department and the trust. Discussions are being held behind closed doors for obvious political reasons, and my colleagues and I suspect that they are being kept quiet until the outcome of the local elections. Frankly, I think the Minister knows that my constituents and voters who support his party in St Helens, Halton and Knowsley would not support the proposal that is being pushed forward by the Department.

Mr Burns: I advise the hon. Gentleman, who is usually eminently reasonable, that he should not believe in conspiracy theories. It may help him to know that American astronauts did land on the moon in 1969, and that Kennedy was shot in Dallas in 1963.

Mr Watts: I do not normally believe in conspiracy theories, but I have seen a document that everyone claims does not exist. I passed that document to the national media, and an article was written for *The Sunday Mirror* by an excellent journalist, Vincent Moss. Apparently, when he contacted the Department of Health the officials asked whether the document existed and whether he had a copy and he replied that he did. They asked to see the document but he said that they could not. The Department then refused to comment on the matter.

The reason behind the conspiracy theories is clear: the Department is acting in an underhand way. Those discussions should take place not behind closed doors but in an open and transparent way so that the community, local health care providers, MPs and the House can understand what is driving Government policy and where it is going. My view is that the Government intend to try to privatise hospitals. Unless the Minister publishes the documents in question and clarifies some of the points raised, people will be left to come to their own conclusions.

I do not believe this is an isolated case. My hon. Friend the Member for Blackley and Broughton (Graham Stringer) and other hon. Friends with new PFI hospitals in their constituencies will experience similar problems to those faced by the trust in my constituency. Unless the Minister can clarify how the costs of running those estates will be paid for in the future, the uncertainty will remain and many people will believe that he intends to do exactly what he claims not to be doing.

I hope the Minister will provide some reassurance today. I am looking for one particular assurance. The only way to resolve the outstanding problem is if the Minister gets to his feet and says that he will provide the £20 million a year extra funding required to run state-of-the-art hospitals at Whiston and Knowsley, rather than the old workhouses we had before. If the Minister can do that, I will gladly congratulate him. Most of my constituents and the trust itself would welcome such a decision.

2.52 pm

Mr George Howarth (Knowsley) (Lab): May I repeat what my hon. Friend the Member for St Helens North (Mr Watts) said about it being a pleasure to serve under

your chairmanship, Mr Meale? I congratulate him on being fortunate enough to secure this debate on a matter that is of great concern to our constituents, and on the manner in which he presented his case.

It is right and proper to begin by repeating something mentioned by my hon. Friend, which is that the hospital staff, whether medical, support or care staff, are highly regarded by the local community. The St Helens and Knowsley primary care trust is highly thought of, and has been prominent in ensuring that we get the health service we deserve. The new hospital facilities at Whiston and St Helens are considered to be at the cutting edge in technology, the use of space and the way that services are conducted, and we appreciate the service that we currently receive. I know from recent personal and family experiences that those who make use of the hospital facilities on both sites have every reason to be grateful that they are available.

The communities served by the two sites have particular, and in some ways difficult, health needs. Some of those health needs are related to former and current occupations, and some to the prevalence of poverty and consequent lifestyle choices. In parts of my constituency, for example, we have abnormally high rates of cancer. That is partly a result of high levels of smoking, but in some cases it is the result of former occupations. My hon. Friend mentioned the mining industry and the legacy left by that in St Helens. Some of the chemical processes that have taken place over the years in and around that area have also taken their toll on people's health, and we therefore need a very good hospital service. We also need a good primary care trust that can provide a lot of the treatment people need, but hospital services are an important part of that mix.

As my hon. Friend rightly said, the difficulties we seem to have arrived at are due to the deficit carried by the hospital. We could have a long discussion about how that deficit was created, but that would not necessarily be fruitful. The deficit appears to stand in the way of the hospital achieving foundation trust status, and that seems to have been the impetus behind the three options referred to by my hon. Friend and mentioned in the tripartite document of which he has a copy.

I do not for one minute underestimate the seriousness of the deficit. Any responsible Administration or Government should take a deficit of that size seriously, and I understand that is the case. The difficulty arises, however, because the three options under discussion leave people concerned about what might be going on. I will talk about what has and has not been published, because the Minister tried to cast some doubt on that a few moments ago.

Mr Simon Burns: On what?

Mr Howarth: Had the Minister been listening, he would know that I said that a little later in my speech, I will try to cast some light on what has and has not been published. He cast some doubt on whether there is in fact material that we should have seen but have not, and I will return to that issue in a moment.

My hon. Friend referred to the three options that have been suggested. The document refers to a national solution, and even if it is not spelled out in clear terms, I take that to mean that it is intended—presumably by Department officials—for some means of closing the

deficit to be found nationally, in order to get rid of the £20 million deficit that is creating the problem. I am not in a position to say whether that is a likely solution; hopefully, the Minister will be better able to explain that. To me, however, that solution is the most preferable of the three options.

The second option would involve some kind of amalgamation or merger with other existing NHS facilities, although that seems fraught with inevitable difficulties. If an existing facility already carries some sort of deficit, presumably it will not be keen to add to that by amalgamating or merging with another institution that might bring even more of a deficit to the table. Furthermore, I do not see any of the synergy that would need to exist between the St Helens and Knowsley trust and other nearby hospital trusts for such a move to be thought of as a likely solution.

We are therefore left with the third option, which is some kind of merger or joint venture with the private sector. I was interested to see that when my hon. Friend the Member for St Helens North referred to that option, the Minister, from a sedentary position, seemed to indicate that it was not an option. *[Interruption.]* Well, I am glad that he clarified that. When my hon. Friend mentioned that option—I think that he used the word “privatisation”—the Minister said no.

Mr Burns: Absolutely.

Mr Howarth: But presumably the Minister is not ruling out now the possibility that something could happen that would involve the private sector in the long-term future of these hospital sites. No doubt he will enlighten us on that when he replies to the debate.

Mr Burns *indicated assent.*

Mr Howarth: I have to warn the Minister that I am not someone who believes that everything should be owned by the state. There are occasions when I can understand that some co-operation with the private sector is required. In fact, the PFI in itself is in many ways an exemplar of that. On occasion, such an approach is appropriate, but any wholesale transfer of these hospital facilities would meet strong opposition from the public in St Helens, Knowsley and Halton, and it would certainly include my hon. Friends and me, because we do not see that as a viable way forward for these hospital sites. The body language coming from the Minister is encouraging. I just hope that the words that follow are equally encouraging.

Before I conclude, I want to clear up one point, which is what we know and do not know and what we hope the Minister can enlighten us on. I am sure that he is aware that my right hon. Friend the Member for St Helens South and Whiston (Mr Woodward) wrote to the Secretary of State about this matter several weeks ago, seeking clarification; my hon. Friend the Member for St Helens North tabled written parliamentary questions about the subject; and I wrote under the terms of the Freedom of Information Act to the regional health body, the Department and the hospital trust, asking not only for the tripartite document that my hon. Friend has a copy of, but for any advice and other, associated documentation that would throw any light on it. It is because we do not have all the information that there is a great deal of suspicion on the part of local people.

The Minister is a reasonable man whom I know will want to be as open and frank as possible in the debate. I hope he will be able to dispel those fears and leave people with the belief that no conspiracy is going on, that the Government are not trying to manoeuvre our hospitals into some kind of private sector solution and that a solution will be found that is within the NHS and is acceptable to all concerned. If he can do that, the debate that my hon. Friend the Member for St Helens North has promoted today will have been a worthwhile exercise.

3.3 pm

Derek Twigg (Halton) (Lab): It is a pleasure to speak under your chairmanship, Mr Meale. I congratulate my hon. Friend the Member for St Helens North (Mr Watts) on securing this very important debate and my right hon. Friend the Member for Knowsley (Mr Howarth) on the contribution that he made. As you will have picked up, we are constituency next-door neighbours, but there are wider issues that we need to discuss and that I intend to raise with the Minister.

3.4 pm

Sitting suspended for a Division in the House.

3.14 pm

On resuming—

Derek Twigg: I will say more about the St Helens and Knowsley Teaching Hospitals NHS Trust a little later, but I have a lifelong relationship with the Whiston hospital, which is used by many thousands of my constituents. As I said, my right hon. Friend the Member for Knowsley, my hon. Friend the Member for St Helens North and I work very closely on issues relating to it, as neighbouring MPs.

I congratulate the hospital on delivering the PFI six months ahead of time and to an excellent standard. The chief executive, the board and the staff have done an outstanding job. The many medical staff, support staff and ancillary staff do an amazing job, and the hospital has the highest reputation, but I will talk specifically about the hospital in more detail later.

It is important to understand the use of PFIs, what was required and what was achieved. In 1997, after 18 years of Conservative disinvestment in the NHS, the service was in crisis: 1 million people were on waiting lists, hospitals were in disrepair, staff felt undervalued and buildings had been neglected. As my hon. Friends will confirm, people regularly complained to us in 1997 and thereafter—my right hon. Friend will say that they were complaining before then—about waiting more than two years to have an operation or even to be seen by a specialist in some instances. It is important to make that point.

The Labour Government made a firm commitment to improve, support and protect the NHS. In government, we did what was necessary to turn it from an organisation that was struggling for survival into the world-class and world-leading service it is today. It is important to make that point about the improvements made under the previous Labour Government, which included achieving the lowest waiting times, the highest public satisfaction, a two-week turnaround to see a specialist, a massive

[Derek Twigg]

decrease in the number of those dying early from heart disease and cancer, and improved facilities. In the context of PFI, investment in the NHS is important.

As my hon. Friend said, 114 new hospitals were built over Labour's 13 years in government to replace the existing ageing and neglected infrastructure. In 1997, half the NHS estate dated from before 1948; in 2010, that figure was down to about 20%. That rapid modernisation was unprecedented, but vital to the regeneration of the NHS, and PFIs played an important part in making that possible. They made possible the move from the previous workhouse-style provision of health care to a modern, technically advanced health care system for the 21st century. [Interruption.] The Minister tuts, but an old workhouse building was still being used on the Whiston site at the time. In fact, back in the 19th century, one of my distant relatives died in that building when it was still a workhouse, so it was a workhouse and it was used for health care. Now, we have a modern hospital to replace it. It is important to make that contrast, as my hon. Friend did.

Graham Stringer (Blackley and Broughton) (Lab): Even with the massive investment and improvement under the previous Labour Government, my local hospital is still 60% a Victorian workhouse, and we need more. [Laughter.] The Minister laughs, but I mean that we need more investment, not more workhouses. Does the shadow Minister agree that although PFI was incredibly valuable in bringing that expansion about, it had two fundamental flaws? In a pragmatic way, it relied on the private sector being more efficient than the public sector to recover the higher borrowing costs, but that has not happened in many cases, because of the strict configuration of the contracts. Secondly, when the private sector is involved—I am not totally against that—we have the secrecy that my hon. Friend the Member for St Helens North (Mr Watts) mentioned. There are commercial interests, which is bad when public money is being used for the public good, because we cannot find out what is going on.

Derek Twigg: I totally understand my hon. Friend's concerns. As regards his local hospital, he will realise that I never said that every hospital was modernised and improved. The issue now is how they will be modernised and improved under this Government, and I will return to that because we need to know from the Minister today what the Secretary of State's and the Prime Minister's plans are for modernising our NHS estate. The massive improvement under the previous Labour Government was unprecedented, but my hon. Friend is right that there were concerns. Not everybody supported PFIs, and there were issues, which I will come to later. My hon. Friend raises an important point.

It should be remembered that PFIs were also used under the previous Conservative Government. As noted in the Public Accounts Committee report entitled "PFI in Housing and Hospitals", which was published on 18 January,

"PFI has delivered many new hospitals and homes which might otherwise not have been delivered".

It is also important to note that the report's summary says that hospitals are mostly

"receiving the services expected at the point contracts were signed and are generally being well managed."

Again, I accept there were some problems, but the Public Accounts Committee recognised that they were generally well managed. Labour not only invested in the NHS, we invested in protecting its future. The contracted maintenance of buildings under the PFI agreements will ensure that the standard of NHS buildings will be as high in 30 years as it is today. The present generation is only the custodian of the NHS. Future generations are its owners, and PFI agreements will ensure that they are served by the same exceptional standard of facilities as today. That is an important point.

The system is not perfect, but at least it guarantees the maintenance of the buildings over a 30 to 35 year contract period. We all know that, with financial pressures, funding was cut for maintenance. Rather than being a one-off, that became a regular occurrence. That is why we found hospitals in the state they were in 1997—for which we, too, had some responsibility, as we had been in government for various periods before then. The fact was that there was massive under-investment, which was exacerbated by the Thatcher Government.

Under Labour, PFIs gave private sector partners responsibility for the completion of large infrastructure projects. A crucial point—of importance to my hon. Friend the Member for Blackley and Broughton (Graham Stringer)—is that accountability for services and the satisfactory completion of such projects remained in the public sector. That meant that the Government were still accountable to the people and Parliament for improving services to patients.

The PFI arrangement is a tool; it is a method that can be used badly or well. It would be disingenuous, as I said to my hon. Friend, to suggest that we were all in favour of PFIs when we were in government. It is important to be frank and honest and acknowledge that. There are strong views opposed to PFIs—it would be wrong to suggest otherwise with regard to some schemes. What we can be sure of is that, under Labour, the PFIs formed part of a carefully managed NHS in which the private sector could play a limited role. Sadly, under the Government's current reforms, that will no longer be the case. The Government continue to rush through their NHS reorganisation; despite the so-called pause, work is still going on, without sufficient evidence or consultation on its true effect. Pressure has been relentlessly piled on to the NHS and foundation trusts, with insufficient consideration for the future. Through these costly, unwise and unwarranted reforms, spending cuts and efficiency savings, the Government are showing once again that they cannot be trusted on the NHS.

My hon. Friend the Member for St Helens North and my right hon. Friend the Member for Knowsley highlighted the issues surrounding the St Helens and Knowsley Teaching Hospitals Trust, with which they have had a long association. However, it is important to repeat some of the things they said. This trust has a strong track record of high performance, achieving three stars and consecutive double excellent ratings from the Care Quality Commission. That high standard of care has been maintained: in 2010, it was the only acute trust in the country to perform above the national average in every indicator of quality of services and care in the CQC assessment. Therefore, I believe it could be described as the nation's top-performing hospital. In addition, the

trust achieved the maximum overall score in the auditors' local evaluation for the use of its resources, for the fourth year running, acknowledging the trust's excellent financial management.

Therefore, the trust performs to an excellent standard, not only in services and hygiene, but in financial management. The benefits of the PFI scheme for the hospital have been tremendous—more than 80% of the accommodation is new build on two sites, to which my right hon. and hon. Friends have referred; there has been capital investment of £350 million, with a 35-year concessionary period; radiology imaging equipment through a managed equipment services has been provided by GE Medical Systems; and hard and soft facilities management services, including catering, domestic estates, grounds, gardens and so on, have been provided. An important point for the Minister is that there is also 50% single room provision, with en suite facilities, as per Department of Health guidance. That is important in meeting both what we wanted and what the Government has said in respect of single-sex wards.

In 2009, the Secretary of State for Health, who was then the shadow Secretary of State, said this in an interview on Mumsnet about the pledge regarding single-sex rooms:

“This pledge will be delivered as part of our plans to provide 45,000 more single rooms in the NHS.”

Funnily enough, that pledge was dropped, and we have heard no more about it. I am interested to know, in the context of any PFI plans or hospital building programmes that the Minister has to comment on, whether there are plans to increase the number of single rooms, which is an important part of improvements in the NHS. I look forward to hearing any details that the Minister might give us.

My hon. Friend the Member for St Helens North, backed up by my right hon. Friend the Member for Knowsley, made some important points about secret documents. One has now been put into the public domain, though not officially, but we have not been able to see the other one. The Minister must answer who suggested as an option that a private sector provider could be brought in to manage this specific trust, and perhaps other trusts. Who suggested that that was the case? I understand that the trust board rejected that option and would only deal with it if directed to do so by the NHS, whether that involved the strategic health authority or the Department. I understand that that was the case. Will the Minister clarify that important point? I understand that one reason why the trust board would not accept the option of voluntarily considering a private sector provider coming to run it was a concern for patient safety. The cuts it was being asked to make to get to foundation trust status were too great and, in its opinion, were threatening patient safety. Will the Minister tell us whether that was the case?

What part of the NHS would suggest that option for a hospital that has achieved a double excellent rating, that has excellent financial management, that has been well run for years, that has a brilliant chief executive and management board, that has a committed staff and that has the support of the community? What person in their right mind would suggest a private sector provider? How could a private sector provider run it better than a double excellent rating?

Mr Burns: I want to deal with this in detail when I come to my contribution. The hon. Gentleman said, “What man in his right mind would consider the private sector being used in the NHS for the management of an NHS hospital?”

Derek Twigg: This particular one.

Mr Burns: I am talking about the generality. I can answer the generality and will come to the specifics in my speech. The gentleman concerned, who accepted the principle in a generality, was the right hon. Member for Leigh (Andy Burnham), who was Secretary of State for Health before the election.

Derek Twigg: I am not sure that that is worthy of a reply. I am being specific. The Minister may remember—and the hon. Member for Broxtowe (Anna Soubry) sitting behind him will—that when the Health and Social Care Public Bill Committee discussed foundation trusts and insolvency, I made the point that it does not always follow that a hospital that gets into financial difficulties is badly run. That is the issue that the proposals in the Bill do not take into account. What was the logic behind the proposal for this specific hospital to have a private provider brought in to help manage it? That is a different point from the one that the Minister took.

I also want to make the point that the Government are placing NHS trusts under intense pressure through the policy of forcing foundation status within three years, coupled with the costs of reorganisation and the efficiency savings trusts have been asked to find. That is leaving many NHS trusts in peril as they struggle to meet foundation trust status, or become foundation trusts with financial difficulties from day one. The Minister knows a number of hospitals are in financial difficulty. I do not know whether he has yet decided to put that list in the public domain.

The dangers are clear. St George's hospital in Tooting, London, recently decided that it was too risky to push ahead with the Government's preferred timetable for NHS trusts to become foundation trusts. Speaking after announcing a two-year delay to the plan to become a foundation trust, the board of the hospital said:

“The board recognises that if we put the organisation under pressure to become an FT during 2011-12 then this could impact on the quality and safety of the patient care that we provide.”

I wonder whether parallels can be drawn with the St Helens and Knowsley trust, as the board is not prepared to take the risk. Put simply, existing pressures on NHS trusts are too great to risk a massive reorganisation. Hospitals realise that, and so should the Government. It is important to understand that the pressures are great, and what is being asked behind the scenes at particular foundation trusts is important.

Now more than ever, the dangers of an FT or NHS trust experiencing financial difficulties are growing. Under the Tory-led Government's plans for the NHS, a struggling FT will be faced with two options. One is insolvency in line with commercial insolvency procedures, and the other is the sort of takeover dictated by clause 113 of the Health and Social Care Bill, which the Committee discussed in some detail, or a takeover on unknown terms. The Minister refused to be drawn on giving an example of what hospitals might be in difficulty and what sort of takeover might be considered. I do not

[Derek Twigg]

know whether he has changed his mind since then, because an example would help us with the detail of our deliberations.

Although the debate on PFIs and their appropriate use will continue, it is important to be clear on one issue. During our time in Government, we supported the NHS. We undertook no step that would have endangered its position as a world class public health care system. In comparison, this Government's policy on health care has been in turmoil from the very beginning. It is hated by the public and despised by the professionals, and we believe that that is dangerous for the NHS.

We need to know what plans the Government, the Secretary of State and the Prime Minister have for capital investment in the NHS. What will hospitals and NHS facilities have to do if they require large capital investment? Is it the case, as reported in the *Financial Times* last year, that the Secretary of State has ruled that they should no longer have access to public sector cash for big capital projects? Is that the Government's current policy? Alternatively, will the Minister confirm that future investment in NHS capital projects will be determined solely by the market, as part of the Government's plans to place the market at the centre of the NHS?

The Minister will expect me to remind him that he was forthright—it is not what the Secretary of State would have wished—in identifying the extent to which EU competition law will increasingly apply to the NHS. Just as importantly, we need to understand where the Government are going on PFI. Much has been said about what they are considering, but when will they publish their plans?

I remind the Minister that he is now in government. Whatever matters he raises this afternoon, he must realise that he needs to supply the answers to these difficult questions. There is great uncertainty within the NHS, which is not helped by the lack of policy detail on which course the Government intend to pursue. It is a crucial question for NHS services, and the answers need to be heard.

The Government should make no mistake about it that their massive reorganisation proposals are putting the future of the NHS as we know it in peril. They are causing massive uncertainty and distracting the professionals, and, as the Health and Social Care Bill impact assessment shows, it could have an impact on the safety and care of patients. The fact remains that opposition to the Health and Social Care Bill, which has been led by the Labour party, and the increasing rejection of the Government's plans by medical professionals, health experts and patients groups alike have forced the Government to take this humiliating pause. If it is to be more than a simple political ruse to get through the local elections tomorrow, real and significant changes will need to be made to the Bill, including the crucial deletion of part 3, which has severe implications on the issues that we have been discussing today.

Labour left the NHS with record levels of public satisfaction, record low waiting lists and world class hospitals such those at St Helens and Whiston. It is becoming increasingly clear that the NHS is moving backwards because of this Government's cuts and broken

promises. I have no doubt that that will inform the choice that people will make tomorrow at the ballot box.

Mr Alan Meale (in the Chair): I call the Minister to reply. As an ex-Whip, you will be aware that you have extra time—11 minutes will be added to our debate because of the Division.

3.33 pm

The Minister of State, Department of Health (Mr Simon Burns): Thank you for that, Mr Meale. It is a pleasure to serve under your chairmanship.

I congratulate the hon. Member for St Helens North (Mr Watts) on securing this important debate. I take the opportunity to pay tribute to the many who work so hard to deliver high-quality NHS services and health care for the benefit of his constituents and the constituents of the right hon. Member for Knowsley (Mr Howarth) and the hon. Member for Blackley and Broughton (Graham Stringer). I pay particular tribute to the St Helens and Knowsley NHS Trust's approximately 4,500 staff and its many trainee specialty doctors, who bring a consistently high level of care to patients throughout Merseyside and Cheshire.

The trust has a track record of first-rate clinical performance. As we heard, it achieved three stars and consecutive double excellent ratings from the Care Quality Commission, a feat that was maintained in 2010. It also achieved the highest score nationally for cleanliness in the recent national in-patient survey. The people of St Helens and Knowsley can be very proud of what has been achieved. The hospital's staff do a tremendous job, and the Government will support and empower them and all front line staff in continuing to improve services free from the interference of meddling politicians in Westminster—and free at the point of use for all who are entitled to use the national health service.

The fact has been underlined that in 2010-11 we increased PCT allocations for the area to just under £600 million, a cash increase of £17.2 million or 3%. I know that the House will share with me the pleasure of knowing that, in the last two years for which figures are available, there was an increase in the number of nurses, consultants and doctors who serve the local community.

The hon. Member for St Helens North raised the important issue of PFI contracts. I shall deal with this topic in two parts. First, I shall outline the coalition Government's approach to the private finance initiative generally. Secondly, I shall examine the situation at St Helens and Knowsley.

The Government confirmed at the end of last year that we remain committed to public private partnerships, including those delivered via PFI, if they can be clearly shown to represent good value for money. Such arrangements will continue to play an important role in delivering NHS infrastructure. However, we believe not only that too many PFI schemes have been undertaken but that some were too ambitious in their scope, a point made in an intervention by the hon. Member for Blackley and Broughton.

Mr Watts: Will the Minister say which PFI schemes should not have gone ahead? Frankly, we had a legacy of neglect under the previous Conservative Government,

and most people believe that we should increase the hospital building programme, not decrease it. Will the Minister itemise those schemes?

Mr Burns: I do not share the hon. Gentleman's blinkered view of what went on in the health service prior to May 1997. I am probably of a more generous spirit, in that I am prepared to pay tribute to the achievements of the last Labour Government, although it would be more difficult to discover those of the Wilson-Callaghan Government and before that the Wilson Government because of the chronic economic situation.

Unfortunately, the hon. Gentleman is not as generous of spirit; he seems to think that everything changed in May 1979 and did not improve again until May 1997, despite the fact that for every year between those dates we saw a real-terms increase in health spending. Indeed, health spending went up from just under £9 billion a year in 1979 to more than £39 billion in 1996-97, which at the time was an incredibly large sum, although due to inflation and other factors, it now seems far more modest. However, I am prepared to be more open-spirited and to acknowledge achievement when justified, but also to criticise when justified.

Derek Twigg: No one suggested that everything was renewed and changed under the previous Labour Government, but there was record investment and an unprecedented hospital building programme. How many hospitals did the Thatcher and Major Governments' build?

Mr Burns: This is the point. Perhaps the hon. Gentleman is taking a punt on something with which he is not very familiar, but if he had been in the House in the mid-1990s, he would know beyond doubt that there were record levels of investment in the NHS. Even he said, looking at the report in front of him, that the Major Government used PFI, and there was considerable investment in infrastructure. He would probably argue—with some justification because one can always argue this—that there should have been more investment, but there was more. I shall give one example, but—

Derek Twigg: Give examples.

Mr Burns: I will. There are so many examples of old and dilapidated buildings or buildings that were past their sell-by dates that the Thatcher and the Major Governments knocked down and replaced through new investment. One example was the moving of the European-renowned burns and plastic surgery facility on a Billericay site in Essex, which wanted to expand to maintain its position at the forefront of providing highly specialist services and was moved to Broomfield. I remember a particularly happy day in February 1997 when, as a junior Health Minister, I accompanied the then Prime Minister to open it.

May I now get back to the point I was making to the hon. Member for St Helens North? However reasonable the hon. Member for Halton is trying to be, his hon. Friend was not quite so generous, suggesting that everything was appalling prior to 1997 and everything was magnificent after it. The hon. Member for Blackley and Broughton rather unfortunately brought the speech of the hon. Member for Halton to a bit of a halt by highlighting

some of the perceived criticisms of the PFI system under the Blair and Brown Governments, but the hon. Member for Halton very neatly sidestepped the issue. He did not want his story of good news on investment in hospital buildings to be punctured, and neatly avoided it.

Mr Watts: Will the Minister give way?

Mr Burns: I will, but then I am going to make progress.

Mr Watts: The Minister must understand that St Helens was served by three Victorian workhouses. After the Labour Government were elected in 1997, three brand-new, state-of-the-art hospitals were built and we had a walk-in centre, new GP services and more doctors and nurses. He should understand that my experience is that after 1997 there was massive investment, and before 1997 there was very little.

Mr Burns: To pick up the point made by the hon. Member for Blackley and Broughton, until October last year, I, too, for the 13 years of the previous Labour Government had a hospital in my constituency that was an old, Victorian workhouse, with ancillary wards that were improved Nissen huts. We could go round the country and find many buildings that needed improvement.

I am sure that Labour Members will accept that even the NHS is restricted in that it cannot have unlimited funding, there will be priorities for improvements and reinvestment, and not everything will be done all the time. The process is ongoing. To answer another point before I focus on St Helens, the hon. Member for Halton asked about what is happening to the capital spending settlement and programme. As I am sure he is aware, as an outcome of the spending review, the Government have a capital spending settlement up to 2014-15, and capital will continue to be used to provide investment for NHS development, as well as PFI.

Derek Twigg: How many hospitals?

Mr Burns: The hon. Gentleman wants me to list some more new hospitals. There is the Chelsea and Westminster hospital on Fulham road, which was a flagship hospital for the centre of London initiated by Baroness Bottomley, I believe. I could continue round the country, but I will not because my time is limited. I think that the hon. Member for St Helens North would prefer it if I spent more time discussing his local PFI project, because there is a lot to be said to clear his mind and reassure him, if only he has the open ears to listen; an open mind would help as well.

As the Government confirmed at the end of last year, where they can be clearly shown to represent good value for money, we remain committed to public private partnerships, including those delivered via PFI. Such arrangements will continue to play an important role in delivering future NHS infrastructure. However, the Government also believe that not only have too many PFI schemes been undertaken, but some were too ambitious in their scope. The Treasury has now reviewed the value for money guidance for new schemes and looked at how operational schemes can be run more efficiently. We are clear that the focus should now be on releasing efficiencies at the many existing PFI schemes.

[*Mr Simon Burns*]

In January, the Treasury published new draft guidance, “Making Savings in Operational PFI Contracts”, which will help Departments and local authorities to identify opportunities to reduce the cost of operational PFI contracts. As part of that initiative, my noble Friend Lord Sassoon, the commercial secretary, launched four pilot projects to test the ideas raised in the Treasury’s draft guidance. The focus of the pilots is to find efficiency gains and savings within the PFI contract itself, allowing the quality of care for patients to remain the priority. The pilots should end by the end of this month. The lessons learned will be used to finalise the Treasury guidance and to improve other relevant PFI contracts, including the one at Whiston hospital. One essential element is that all NHS trusts will retain any savings made to reinvest in improving patient care.

The other important aspect of operational PFI schemes and their cost to local health economies is their effect on NHS trusts seeking NHS foundation trust status. The coalition Government have set a clear commitment for all remaining NHS trusts to achieve foundation trust status by April 2014. That policy will finally realise the ambition of the previous Labour Government. It is about ensuring high quality and sustainable NHS services by giving trusts the freedom to serve their patients to the very best of their ability, unhindered by top-down bureaucratic control.

An issue facing some NHS trusts in their move towards attaining FT status is the affordability of their PFI schemes, as hon. Members are aware from examples in their constituencies. We are tendering for an independent review to establish where PFI schemes may, in some organisations, be the root cause of problems that prevent them from becoming foundation trusts. St Helen’s and Knowsley NHS Trust is one such organisation, and will be considered as part of the scheme. In addition to the independent assessment, the Department and the NHS are developing solutions in a systematic and comprehensive way to manage the PFI schemes in the very small number of trusts where a local or regional solution cannot be found.

When the current management of St Helens and Knowsley NHS Trust signed their PFI agreement in 2006, with the agreement of the then Secretary of State for Health, Patricia Hewett, and other Ministers, local PCTs agreed to make up the shortfall between the revenue generated by the hospital through the national tariff and other means and the cost of the unitary payment—the annual PFI charge, which was some £20.3 million. Unfortunately, that decision built a deep lack of sustainability into the trust’s finances; a lack of sustainability that the trust, the strategic health authority and the Department are now working extremely hard to rectify. To that end, the trust’s board and the strategic health authority, NHS North West, are developing a tripartite formal agreement, or TFA, to be agreed with the Department of Health, which will support the work to achieve foundation trust status.

Every trust is required to produce a TFA, setting out how it plans to progress to FT status by 2014, the challenges that it faces and how it plans to overcome them. In the case of the St Helens and Knowsley trust, the TFA is still in draft form and is very much a work in progress. Beyond what was leaked to the *Liverpool Echo*

and to the hon. Member for St Helens North, I have not seen the draft and while discussions are ongoing it would be inappropriate for me to do so and I will not see it. Therefore, it would also be inappropriate at this stage to publish the documents.

Mr Watts: Minister, the local community and the local MPs will believe that that is a totally unacceptable stance to take. It is clear that there are grave doubts about the future financial viability of the trust—the St Helens and Knowsley trust, including the Whiston hospital—and that a number of options are being considered in the current discussions about the trust. For the Minister to hide behind the fact that he does not want to see that report removes the accountability that we would expect him to have. Will he reconsider that decision and will he look at that document? Also, will he rule out some of the options, including the private provider option? If he does not do those things, people will continue to suspect that his Department is being driven by the fact that it wants to privatise our hospitals, but he and other people in the Department do not want to see the documents that are being discussed now. I can see no reason why he should not see that draft document and why we should not see it.

Mr Burns: First, of course, the hon. Gentleman has seen the first draft document—it was leaked to him and I think that he held it up during his remarks this afternoon—so it is slightly stretching the point to say that local MPs have not seen it. I have no doubt that he has shown it to his hon. Friend the shadow Minister for Health, the hon. Member for Halton, and I would be rather surprised if the right hon. Member for Knowsley has not seen it too.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): I have not seen it.

Mr Burns: Of course the hon. Gentleman, who has just come into Westminster Hall, has not seen it. He is a Scottish MP, and it may have escaped his notice but the English Department of Health has no responsibility for the day-to-day running of the Scottish health service.

Mr Donohoe: Thank God.

Mr Burns: And there we are.

Mr Watts: The Minister has seen it.

Mr Burns: No. I have not seen it. I took a deliberate decision not to see the draft—

Mr Watts: Why?

Mr Burns: Because it was a first draft document, drawn up between officials in the Department of Health, the SHA and the trust, and I do not think that at that stage it was appropriate for me to see it. Also, I suppose that if one is being totally candid, which often gets me into trouble when the hon. Member for Halton or particularly the hon. Member for Leicester West (Liz Kendall) are around, it does make it slightly easier for me because I can say, “In all honesty, I have not seen it.”

I will now make some progress, because I think that what I am about to say may answer some of the questions put by the hon. Member for St Helens North and it may well help the right hon. Member for Knowsley, too. If it does not and I have time to do so, I will give way then.

The TFA process should be completed soon, with the final approved version hopefully being published some time in June or July. I can confirm—if the hon. Member for St Helens North would like to listen to me, because I think that he will find what I am about to say particularly interesting, as he has expressed a degree of confusion about the issue—is that one of the options under review is not, I repeat not, to somehow “privatise” the NHS. As I said to the hon. Gentleman during Health questions last week, this Government will never privatise the NHS and we have no intention of doing so at the St Helens and Knowsley trust.

Perhaps it would be a help if I took a moment to explain the process through which the trust, like all trusts in a similar position, is progressing towards becoming an FT. First, the trust, along with local health authorities, will attempt to find a local solution to whatever financial issues there may be. If a simple local solution cannot be found from within its own resources, then a more radical solution may be necessary, such as merging with another trust and examining whether services need to be reconfigured. On that point, it may be of some consolation to Opposition Members that the benefits of a merger with another trust are that it reduces the percentage of the unitary payment of the PFI in relation to income, which helps with the financial situation, and for other FTs in a merger it increases the income base and economies of scale become possible, which again potentially helps with the finances of a trust.

If the problems cannot be resolved in that way, we would work to a national solution, which is being developed by the Department and which will be agreed with the Treasury. If there is no foreseeable solution, a final option would be to consider tendering the management of the trust. Under that option, management teams from within the NHS, from a social enterprise or from the private sector would put forward their ideas on how to find a way forward for the trust.

Derek Twigg: Will the Minister give way?

Mr Burns: May I just continue, because this is rather important?

While that option is a very long way down the line of potential solutions, it is only what is currently being done at Hinchingsbrooke hospital in Huntingdon, in the constituency of the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly). The decision on that hospital was taken by the previous Labour Government, when the right hon. Member for Leigh (Andy Burnham) was the Secretary of State for Health. So it is not a new option dreamt up by the present Government since coming into office. We are simply taking an option that is already on the table and that was there when we came into power, which the previous Secretary of State for Health—a Labour Secretary of State for Health—was prepared to accept.

Derek Twigg: Will the Minister give way?

Mr Burns: Just one minute. I must say that at the time, during the discussions about what should happen to Hinchingsbrooke hospital and about the use of the option that the right hon. Member for Leigh agreed to, nobody said that that was privatising the hospital, because it was not. If—and it is a big if—that solution

were to be considered the right way to solve the problems at the St Helens and Knowsley trust, that would not be privatisation either.

Derek Twigg: With respect to the right hon. Gentleman, we are not comparing like with like.

Mr Burns: We are.

Derek Twigg: We have a double-excellent hospital at St Helens and Knowsley; it has excellent financial management and excellent services. It meets all the standards. I put the question back to the Minister. On that basis, why is the Department—whether we call it the SHA or not, it is part of the Department and it has responsibility to the Secretary of State—

Mr Burns: It is not part of the Department.

Derek Twigg: Well, I understand the SHA discussed this as an option with the hospital. I want the Minister to ask my question. Did the hospital voluntarily reject the third option of a private sector provider coming in to manage or run the hospital? Did it refuse that option and also say that it would not accept the cuts being asked of it by the SHA as that would put patient safety at risk? Is that correct or not? If he does not know, will he find out?

Mr Burns: I can advise the hon. Gentleman that it is not correct. That is the advice—

Derek Twigg *indicated dissent.*

Mr Burns: The hon. Gentleman could at least have the decency to listen to what I am saying first. The advice that I have been given is that that is not correct.

Derek Twigg: What is not correct?

Mr Burns: That the trust rejected consideration, or the possible consideration, of that option, because—*[Interruption.]* What I want to do is to put it in context. As I said in my comments earlier, that is very much a last possible solution if the other solutions are not able to be worked out.

Mr Watts: Will the Minister give way on that point?

Mr Burns: Let me just finish. If I have been given the wrong information, and I do not believe that I have been, the hon. Member for Halton will be the first person to find out, because I would hate to mislead him.

Derek Twigg: Will the Minister give way?

Mr Burns: No. I have answered the hon. Gentleman. He said, “Did the trust reject the proposal because they found it unacceptable and they thought it wasn’t in the best interests of patients and patient safety?” That is what I—

Derek Twigg: Will the Minister give way?

Mr Burns: All right, I will give way for the last time.

Derek Twigg: I understand that the SHA, not the hospital trust, suggested as a third option having the private provider, on the basis that the hospital—I understand that it was approved by the board—would not accept what was on offer because of the cuts that it would have to make and it was concerned about patient safety. It therefore would not accept voluntarily an option to have a private sector provider come in. The question is whether that option was proposed by the SHA and whether the trust, because of concerns about patient safety, rejected it on that basis, on a voluntary basis. I make that point very clearly.

Mr Burns: Right. I repeat the answer that I gave to the hon. Gentleman before. My understanding is no, that is not correct.

Mr Watts: Will the Minister give way?

Mr Burns: No. There is no further point to this.

Mr Watts: I think there is.

Mr Burns: If—I will pursue the matter after the debate—there is anything in that that is incorrect, I will come back to the hon. Gentleman as quickly as possible, but my firm understanding and the advice that I have been given is that the answer is no.

May I reassert what I said earlier about the processes of the options, because it seems to be getting lost in the telling? I have said that it is important to find a local solution to whatever financial issues there may be. That is what the trust and the local health authorities are working to try to secure. If a simple local solution cannot be found from within the trust's own resources, a more radical solution may be necessary, such as merging with another trust and considering whether services need to be reconfigured.

I think that it was the hon. Member for Halton but it may have been the hon. Member for St Helens North who said, "But nobody has ever said what other trust there might be." I may be able to help the hon. Gentleman who asked that question. One of the options is the North Cheshire trust.

Mr Watts: Will the Minister give way on that point?

Mr Burns: Right, I will give way and then that is it—finally.

Mr Watts: I am extremely grateful to the Minister for giving way, because this goes to the heart of the matter. The lack of accountability comes from the fact that he has not seen the documents and therefore does not know what is in them. If he published the reports, he would see that there is a first draft and a second draft, and that the idea of the privatisation of the management comes from his Department. I do not want to see the Minister embarrassed. The best way for him to resolve the problem is to publish the two documents, and everyone will then be able to see that the third option was not wanted by the trust but is being driven by the Minister's Department.

Mr Burns: May I return to the intervention made by the hon. Member for Halton? I said that as soon as I heard anything I would get back to him. He asked whether it was the trust that said it would not accept the option, and about the patient safety and quality of care recommendation. My answer should have been "I do

not know," not "No." The advice I have been given is that I do not know, and we do not know.

As time is running out, may I reiterate the process? I do not want any confusion. I have said that if a simple solution cannot be found from within the trust's own resources, more will be done to find a radical solution, perhaps involving a merger with another trust and examining whether services should be reconfigured. Although that option is a very long way down the line of potential solutions, it is similar to the one at Hinchingsbrooke hospital that was embraced by the previous Labour Government and accepted, in principle, by the former Labour Secretary of State for Health, the right hon. Member for Leigh, as the way forward in a particular hospital with a particular problem. However, even if that were, in any circumstance, to become an outcome for a hospital, to suggest that it somehow equates to hospital privatisation is nonsense, for a number of reasons.

First, the hospital will remain a wholly owned NHS hospital, with NHS assets and NHS staff remaining entirely within the public sector. Secondly, I remind the hon. Gentlemen that the hospital has achieved its record of sustained excellence in part due to the significant involvement of private sector companies, a policy that was actively encouraged under the previous Labour Government. All the Labour Members present for this debate were proud members of that Government at some point during the Administration's 13 years. Examples of that policy in operation in the hospital are that radiology imaging equipment has been supplied through a managed equipment service provided by GE Medical Systems since 2006, when Patricia Hewitt was Labour Secretary of State for Health. Facilities management services, which the hon. Member for Halton rightly praised and which have been vital to delivering high levels of cleanliness throughout the trust, have been provided by two companies—Vinci FM and Medirest—also since 2006. The use of the private sector does not mean privatisation, nor does it lead to a poorer quality of patient service, and I hope that hon. Members will acknowledge that the hospital trust's excellent clinical reputation is evidence of that.

This Government want all NHS trusts to become foundation trusts because they will provide better patient care. Foundation trusts will be free to respond to the needs and wishes of local people and will be far stronger, both clinically and financially. To become a foundation trust hospital, an NHS trust must prove that it has passed strict tests on clinical care—the care that patients deserve. It also must prove that it is financially sustainable in its own right, which is what all taxpayers deserve.

Hospitals that are built on sand will sink, and this Government will not stand idly by and allow that to happen—the people of St Helens North deserve no less. I am sure that in due course, when the proper procedures have been adopted and the strategic health authority, the primary care trust, the hospital trust and the Department of Health have reached conclusions, documents will be published and decisions will flow.

This is not a conspiracy; it is a sensible and coherent way to move forward and discover a viable, practical and proper decision to help what is, in many ways—as all speeches in the debate have shown—a very good hospital that has a problem because of its PFI scheme. I gently remind Members that that the PFI was approved

by the trust and the Department of Health under the Labour Government, not the coalition Government. That is what has caused the problem, and it is why a viable solution is important. I wish everyone well in seeking a solution that is relevant and meaningful to the future success of the trust.

For a variety of reasons, it is always nice to have a conspiracy theory tucked in one's back pocket to cause concern, but this is not a conspiracy. Just as I said earlier, Americans did land on the moon in 1969, John F. Kennedy was sadly shot in 1963 and, contrary to some people's views, Barack Obama was not born in a manger.

Equitable Life

4.9 pm

Mr Brian H. Donohoe (Central Ayrshire) (Lab): It is good to see you in your place, Mr Meale. I thank Mr Speaker for allowing me to participate in this very short debate on a subject about which the Minister has corresponded with all Members, and which has been a problem since 1992, the very beginning of my time in this place. It has been a problem all those years, and no Government have addressed it as my constituents deserve, a fact on which I will concentrate in my speech.

Guidance has been given to Members. The Government first gave it to us in a round robin letter from the Minister on 15 November, and an update was given on 26 January this year indicating that things were moving apace and that solutions and a process had been found. I am after an update from him and the Treasury on where we are at and when the first payment will be made to those who seek and deserve compensation.

There is absolutely no doubt that there was foot-dragging during the 13 years when we were in government. I participated in debates on the other side of this Chamber and was critical of the Government of the day. I also remember occasions when the Minister was on this side of the Chamber, making all sorts of promises to the public that were most effective at the time. That is what I will concentrate on.

The place to look in order to understand a party's position on any given subject is its manifesto. The Liberal Democrat manifesto referred to

"Meeting the Government's obligations towards Equitable Life policyholders who have suffered loss. We will set up a swift, simple, transparent and fair payment scheme."

The Conservative manifesto said:

"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 policy holders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure."

That was in the Conservative party manifesto for last year's general election. Having read those, I would have thought that measures would be in place by now. We are a year into the coalition Government, and I understand that not a single payment has been made. Perhaps the Minister will update us on when it can be expected.

The Conservative manifesto says "mis-selling". It is a somewhat unfortunate choice of phrase, as many pensioners feel that they were mis-sold an election promise by the Conservatives. That is a fairly serious accusation. I get letters in my mailbag almost weekly—34 of my constituents write to me regularly on the subject—and I am sure that that is repeated across the land and that every Member of Parliament is being written to by those most affected by the mis-selling of that fund.

More recently, the hon. Member for Southend West (Mr Amess) said in the Chamber:

"I know that the Treasury team are working extremely hard to try to balance the books, given the terrible legacy that we were left, but I must tell the Deputy Leader of the House that I am worried about the promises that were made before the general election. Some of my elderly constituents feel that we have not honoured them."—[*Official Report*, 5 April 2011; Vol. 526, c. 987.]

[Mr Brian H. Donohoe]

That is a Conservative speaking. There is concern across the House about what this Government are doing, and it must be considered.

What are the problems, and how are the Government and the Treasury addressing them? Although they made that promise, they almost immediately excluded some 10,000 elderly people from the compensation scheme because they took out policies before the September 1992 cut-off date, which seems unfair. Those trapped policyholders arguably suffered the same maladministration as the others. We were told that they would be paid 100% compensation, but they will not receive anything. That should, indeed must, be addressed.

I must concede one thing—I have already done so publicly in this place, during the last debate on the subject. Investing in anything involves taking a gamble. People must understand that even a pension scheme, which could be described as a gold-type investment, can never be expected always to go one way. It is always possible to lose money. I have seen that at first hand. At the same time, we are talking about investments made when the Government of the day—and particularly one Minister, Eric Forth—said that they did not want any form of regulation whatsoever governing the finance sector. If we trace back the history, that is where the problem was first created. There should have been regulation. The whole fund was tied up in a system that had no regulatory body to examine what was going on.

It is simply wrong for the Treasury to have revised the amount of money that will be available from the public purse for the payment scheme. It promised total payment—that is what was said and understood. That is what was in the correspondence I received. I was challenged at the hustings during the run-up to the last election, and that was what was read to me as the policy of this Government. They made that clear to those constituents of mine who were concerned about the question.

Even to suggest that the money is not being paid as intended due to this country's financial situation is absolute nonsense. Anyone could see that the global financial crisis would affect Government thinking and that the Opposition of the day were being foolhardy in making the promises they made. It almost indicated—to some of my constituents, at any rate—that there was no chance that the Tories would form an Administration. That is part of the reason why they were in a position to make such promises, which still have yet to be met.

The Minister said in a written answer:

“The Government have accepted all the parliamentary ombudsman's recommendations in full. The Government's ambition is to start making payments in the middle of this year.”—[*Official Report*, 31 March 2011; Vol. 526, c. 472W.]

Can the Minister indicate or commit to a date when that will start to happen? Who will first receive the moneys outstanding?

There is no doubt whatever that, just as with previous Governments, there has been delay after delay. It is immensely frustrating, particularly for those very elderly people who have been deprived of the pension they expected from the company. The matter has been addressed by ombudsmen and all sorts of courts, yet even today no money has been paid. I am looking for an update from the Minister, and I expect to hear something this afternoon.

4.18 pm

Neil Parish (Tiverton and Honiton) (Con): I do not know that I necessarily thank the hon. Member for Central Ayrshire (Mr Donohoe) for how he has introduced this debate. For 13 years, the Labour Government prevaricated about doing anything about Equitable Life. To be blunt, many policyholders believed that it was the Labour Government's policy to wait long enough that they would not have to pay out to so many people. He has stood up and criticised what we as a Government are trying to do to put that right, yet his party lived through probably the most profligate times that any Government ever lived through and did absolutely nothing about the problems with Equitable Life.

I sat on a European inquiry on this issue, because Equitable Life sold policies not only in this country but in the Republic of Ireland and Germany. The problem was that it was mis-selling—it mis-sold the product by saying that these were with profits insurance policies when, of course, the profits it predicted were never going to be met. Every time we inquire into the matter, we find that all the people who used to manage Equitable Life have mysteriously disappeared and that the new bunch of people running it had no knowledge of what was happening before. We never seem to be able to pin down exactly who was to blame among all the people who were valuing those policies.

The whole issue now rests on the question of whether the policies were mis-sold and whether the company acted outside the legislation. I say to the hon. Gentleman that the previous Government had plenty of time to look for and find a way of compensating those who had lost money. Why did they refuse to accept the ombudsman's report? Why did they go to virtually every court they could find to avoid paying any compensation?

Mr Donohoe: I should like the hon. Gentleman to address one issue. What was in his party's manifesto and why does he think that this Government have acted under the auspices of that particular entry in the manifesto?

Neil Parish: The manifesto referred to compensating people who had policies with Equitable Life and lost money, and what we are now introducing is a package of measures to compensate them. Whether we can compensate them 100% or not is a difficult question, especially in the financial circumstances that we inherited from the previous Government. I made the point at the beginning of my speech that the hon. Gentleman's party had the opportunity, when tax receipts were flowing into the Treasury and when there was plenty more money sloshing around in the economy, to make those payments. That was a much less painful time than now, when we have to take into account the financial situation in which we find ourselves. The Minister will explain exactly what we are doing.

I agree with the hon. Gentleman that people want to know exactly when they will receive compensation. I hope that we will hear about that from the Minister. Many of us would like to see as much compensation as possible. In fact, we would like to see greater compensation, but we have to realise that the funds are competing against everything else for which the Government have to find money, at a time when we have inherited such incredible debts. I am sorry to say it, but I find it almost unbelievable that the hon. Gentleman can stand up and

accuse this Government of not honouring their pledges when, as I have said, the previous Government had plenty of time to do something about the issue. What we have done is to put together a package of measures that will find ways of compensating people.

This is about when and on what date the policies were sold. Some of those issues are sensitive and I imagine that people who bought policies before 1992 are concerned, because they were also mis-sold policies. The issue has been painful for many of my constituents and many others throughout the country because of the money they have lost, but the one thing we have failed to talk about in this debate is that we have to be absolutely certain that this will never happen again. Lessons must be learnt, because this has caused so much suffering for people who were putting money away for their retirement. Do not forget that all Governments—Conservative Governments in particular—always want people to save for their retirement in order to look after themselves. In this case, people lost money, which is to be regretted.

I am happy to have spoken in the debate and will be interested to hear what the Minister has to say. The coalition Government have introduced a package of measures that will give people compensation after 13 years of a Labour Government who failed.

Mr Alan Meale (in the Chair): Before I call the Minister, I apologise to you, Mr Donohoe, because I presumed you had given permission to the last speaker to speak. I tell the hon. Member for Tiverton and Honiton (Neil Parish) that it was wrong of me to bring you in. Having said that, at least in the latter part of your speech, you joined Mr Donohoe in hoping that we will get clarity on this issue.

Neil Parish: I apologise. I did not realise that I had to do that. I did not do it on purpose.

4.25 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I congratulate the hon. Member for Central Ayrshire (Mr Donohoe) on securing this debate. It is the first time for some time that we have had the opportunity to discuss Equitable Life, and I am grateful for the opportunity to update Members on the progress that we have made on resolving the issue.

The hon. Gentleman was right to highlight that some time has elapsed since these problems first arose. A number of reports that established that maladministration had taken place had been published, but the previous Government failed to act on them. When the ombudsman published her report in July 2008, we immediately accepted her recommendations and her findings of maladministration. We were clear that compensation should be paid for relative loss, but we also accepted the second leg of that recommendation, which was that it had to be subject to the constraints of the public purse. We have been clear throughout. If the hon. Gentleman looks at the speeches that I have made in this Chamber and in the main Chamber on Opposition day motions, he will see that we have been explicit about the two legs of the ombudsman's recommendations. As my hon. Friend the Member for Tiverton and Honiton (Neil Parish) has said, if the issue had been resolved earlier, perhaps policyholders would have been in a better position than they are now.

I remind the hon. Member for Central Ayrshire that, while we accepted the ombudsman's findings on the day on which they were published, Labour Ministers waited until the January of the following year before accepting only some of her recommendations, and they were challenged on that in court.

The hon. Gentleman asked when we are going to make payments and claimed that there had been a series of delays. However, I made it clear in the House last July, when I made an oral statement on the day on which we published Sir John Chadwick's work, that we would start to make payments before the end of the middle of this year—that is, before the end of next month—and it remains our intention to do so. I am not sure where these mythical delays have emerged from, because over the course of the past nine months it has been clear when we expected to start to make payments.

Mr Donohoe: Will the Minister be specific and say what the payments will be and when they will start to be made?

Mr Hoban: As I have said, we will start to make payments before the end of next month. I will address the structure of the payments and the next formal step in the process later in my speech.

We have been clear from the date on which the coalition was formed that we want to end the plight of policyholders. Indeed, one of our first pledges—it is in our coalition agreement—was to implement the ombudsman's recommendation to make fair and transparent payments to Equitable Life policyholders for their relative loss as a consequence of regulatory failure. We have kept that promise. In the year since we came into government, we have made significant progress towards achieving that ambition. Last July, we introduced the Equitable Life (Payments) Act 2010, which gave the Treasury the authority to incur expenditure when making the payments. I am grateful to both Government and Opposition Members for supporting the 2010 Act and for allowing it to receive Royal Assent to an accelerated timetable. That has enabled us to press forward with our preparations for making payments as soon as possible.

We published Sir John Chadwick's advice on the financial losses sustained by policyholders, as well as the calculations of the actuaries, Towers Watson, of the relative loss figure. At that time, I invited all interested parties to make representations to the Treasury so that they could be considered as part of the preparations for the spending review. We considered the full range of those representations, including those from individual policyholders and lobby groups, such as the Equitable Members Action Group and Equitable Life Trapped Annuitants, and from Equitable Life itself. After final refinements of the calculations by Towers Watson, we quantified the relative loss at £4.1 billion. That is based on the Government's full acceptance of the ombudsman's findings of maladministration. That is more than 10 times the figure arrived at through Sir John Chadwick's methodology, which was based on the previous Government's limited acceptance of the ombudsman's findings. In last October's spending review, we announced that approximately £1.5 billion would be made available for payments to policyholders through the scheme. That is perhaps not as much as we would have liked but, as

[Mr Hoban]

the ombudsman herself has acknowledged, the impact of the scheme on the public purse has to be taken into account.

It is also important to note that, even in the midst of last year's understandably constrained spending review, we still found a way to cover the losses of the with-profits or trapped annuitants in full. That was achieved by paying their losses through annual payments that reflected the structure of their policy. Those policyholders were particularly vulnerable to their losses because they were unable to move their funds elsewhere or mitigate the impact of their losses through employment. They were also generally the oldest policyholders.

The hon. Member for Central Ayrshire raised his concerns about the exclusion of those with-profits annuitants who purchased their policy before September 1992 from the scheme. He is not the first to do so, but this is an important opportunity to restate what I have said in correspondence to a number of hon. Members and what I said in the Committee that considered the 2010 Act. In her report, the ombudsman recommended that the aim of the scheme should be

"to put those people who suffered a relative loss back into the position that they would have been in had maladministration not occurred".

With-profits annuitants who bought their policies before September 1992 did so before maladministration could have affected their investment decision. The first returns that the ombudsman found were affected by maladministration were those of 1991, which would not have influenced policyholders' decisions until September 1992. Once a with-profits annuitant had purchased their policy, they did not have the option to move it elsewhere. Therefore, the correct question is not what these policyholders would have received if they had invested in a different company or had transferred their policies at some date after September 1992, but how their Equitable Life policy would have performed if maladministration had not occurred. Calculations by Towers Watson show that, if there had been no maladministration, those policies would not have performed better than they actually did, so no loss has been suffered.

For pre-September 1992 with-profits annuitants, the reduction in the levels of annuity payments is largely due to a combination of circumstances, such as poor investment market performance and the fact that early annuity payments were artificially high due to the structure of the product and over-bonusing. I understand that this is a complex issue, and I have happily engaged in correspondence and discussions with hon. Members on it. However, I hope that my explanation about the situation facing with-profits annuitants clarifies our position.

I want to move on to the principles that have guided our decisions on Equitable Life. At all times we have sought to ensure that our choices have been both fair and transparent. In that vein, we set up an independent commission to advise on the distribution of funds to people with policies other than with-profits annuities. The commission reported in January and we accepted the principles it recommended: that we should introduce a pro rata allocation of funding in proportion to the size of relative losses suffered; that we will take a single

policyholder view wherever that is fair and practicable to offset relative gains against relative losses for individuals with more than one policy; and that we should announce a minimum amount in the region of £10 beneath which payments should not be made. The reason behind that decision is that administering payments below that amount would be disproportionate to the administrative costs of making them in the first place. Subject to practical constraints, payments to the very oldest policyholders and the estates of deceased policyholders should be made an absolute priority. I want to make that clear to hon. Members today.

We are working on translating those principles into a quick and efficient payment scheme. That work is nearly complete and, as promised during the debates on the 2010 Act, I will be placing a scheme design document before Parliament imminently. In that document, hon. Members will find details on how the new payment scheme will work, including information on who will receive payments, how those payments will be calculated and how they will be made.

We have appointed National Savings and Investments as the scheme delivery partner to oversee that process. I am confident that its experience in processing large numbers of payments makes it the best choice for this important and complicated role. To reduce the complexity of the scheme, we announced in the spending review that payments will be both tax free and should not affect eligibility for tax credits. That is both fair and sensible, and I know that hon. Members here today will welcome it. A statutory instrument introduced under the 2010 Act to put that into effect is currently before Parliament, and it will be debated shortly.

I want to make one final point to set policyholders' minds at rest. Policyholders do not need to do anything to claim their payments. Those operating the scheme will contact them in the first instance. A website and call centre will be up and running for the duration of the scheme to guide policyholders and address any queries they may have.

Mr Donohoe: Will the Minister tell me for how long the scheme will be up and running and whether payments will be made over a three-year cycle?

Mr Hoban: The hon. Gentleman has raised an important point. We need to distinguish between two groups. The first is the eligible with-profits annuitants. Payments will be made to them over the lifetime of their policy. That has enabled us to extend the cost of this beyond the spending review and therefore to spend more on resolving the problem than would otherwise have been the case. Other policyholders who have suffered losses and are eligible for compensation will receive a single payment at some point over the next three years, with priority being given to the oldest policyholders and the estates of deceased policyholders. That is to ensure the cost of the scheme is manageable and that the scheme is deliverable in the period.

We have spent a lot of time making sure that the administration and delivery of the scheme works as effectively and as quickly as possible. However, I do not want to give any false promises to people. We said that we would start to make payments before the end of next month. It is a three-year scheme for people, apart from for those who are with-profits annuitants. For with-profits

annuitants, payments will be made over their lifetimes, which is the right way to maximise the amount of money available to policyholders given the economic situation that we inherited.

I look forward to hon. Members' comments on the scheme design document, which aims to be as simple and clear as possible both for policyholders and for those who take a more detailed interest in the technical details of the scheme design. The scheme holds out a prospect that policyholders will receive compensation, and it brings to an end a long-running saga that has not reflected well on how such issues are handled. Of course, as my hon. Friend the Member for Tiverton and Honiton has rightly said, we need to ensure that people have confidence to save for the future. That is why, as part of our reform of financial regulation, which focuses principally on the lessons to be learned from the financial crisis, we are introducing a dedicated financial conduct regulator—the Financial Conduct Authority—which will be responsible for all aspects of the regulation of financial conduct. That will help to strengthen consumer confidence in this area, and we hope will ensure that a problem on the scale of Equitable Life does not happen again.

Small and Medium-sized Businesses (Witham)

4.38 pm

Priti Patel (Witham) (Con): I am grateful for the opportunity to draw attention to small and medium-sized businesses across the Witham constituency. I welcome the Minister responsible for business and enterprise, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), to the debate. Like me, he is a strong champion of business enterprise and economic growth, and he has a great deal of experience in the business sector. I know that he understands from first-hand experience many of the challenges facing businesses across the country. I also have absolute faith that he will want to hear some of the concerns and issues that I have, and that he will want to do what he can to help and support business growth in my constituency. As such, I would like to extend to him an open invitation to come to Witham and meet local business men. After today's debate, when he has got a feel for some of the businesses we have, I hope he will grasp with open arms that compelling invitation.

By way of background, the Witham constituency has a variety of businesses across a number of sectors. That reflects its diversity and the wider strength of Essex, which I call a county of entrepreneurs. We have some great businesses and some passionate advocates of enterprise. In Witham town itself there are many shops, industrial estates, manufacturing industries and services. In the villages alongside the town, in the more rural part of the constituency, we have farms, village shops, market areas and some impressive post offices that do all sorts of creative things. They managed to survive the previous post office closure programme and I pay tribute to the work of the sub-postmasters and sub-postmistresses. Those businesses across the constituency would benefit enormously—I touched on this point in the House—if Essex was made a designated enterprise zone. That would give added zeal to the spirit of enterprise that we have in the county. May I urge the Minister to consider that, as part of the wider proposition, with Treasury colleagues? We would love to be a prime candidate for that status.

Businesses in my constituency vary in size, from one-man operations and family businesses—we have many family businesses—to companies employing hundreds, which have multi-million pound turnovers. They provide everything from glass, plastics and clothing to food. Over the years, some businesses have grown to become world-renowned household names. The village of Tiptree is synonymous with Wilkin & Sons jam. It produces the finest preserves and conserves in the world—Tiptree jam, as it is known. Last year, Crittall Windows employed more than 200 local constituents. It is a pioneer in window making and has a tremendous local history in the Witham constituency. Silver End is the garden village founded by the Crittall family. Last year, it won the Queen's award for enterprise.

We have a dynamic company called Servowatch, which is based in Tollesbury. Witham is a coastal constituency, and Servowatch provides alarm and monitoring systems and software programmes for yachts and boats. It is very creative and highly innovative—a small, family business doing incredible things. Hayman Distillers is

[*Priti Patel*]

another family business in Witham. There are historic homes that are open to the public. They are creative, and house many small businesses. We have Braxted park. Layer Marney Tower is the largest Tudor gatehouse in England, and hosts the “Antiques Roadshow” programme next week. All sorts of small businesses and enterprises are based there.

As important and essential to the local community are the small business men and women who day in, day out open shops at the crack of dawn, struggle to make ends meet, and provide essential goods and services and, importantly, local jobs. I pay tribute to the local chamber of commerce and the Federation of Small Businesses in Essex for the support network they provide to many of those small and medium-sized businesses. They have been a great avenue for networking and, as I discovered not long after being elected, are a good sounding board for many of the challenges that small businesses face. More than 80% of jobs in my constituency have been created by small and medium-sized businesses. Compared with a national average of approximately two thirds, that is very high. Those businesses showed tremendous tenacity coming through the downturn with very little help from the previous Government, and keeping many thousands of local people in work. I pay tribute to them, because they have struggled and are on the front line. Their priority is to keep their heads above water while at the same time securing local jobs through this difficult period.

Many businesses did not make it through the recession. I put that down to the underlying failure of the previous Government to support private enterprise. Too many local high streets have been left struggling and dying. In Witham town we are, like many, scarred with empty premises and shop fronts.

The Minister knows that the nature of what constitutes a small business has changed over the years and decades. I am the daughter of a small shopkeeper—my parents started a business in the 1970s. The term “small business” has changed beyond all recognition compared with 30 or 40 years ago. The Minister will therefore be aware that Government policies need to adapt to the changing needs of SMEs in order to keep pace with job opportunities and the changing labour market, and to provide opportunities for the private sector to grow and avoid past mistakes. I am a champion of our high streets and independent retailers. Speaking personally, whatever the Government can do—I look forward to the Minister’s remarks—to support them is vital. I emphasise that in the past 10 years our high streets have been neglected. There are three areas where action is needed, and I would like to raise those directly with the Minister: tax, regulation, and access to credit for small businesses.

There is a lot to talk about with regard to tax. I welcome the cut in the small profits rate introduced by the Chancellor, and the cut in the main rate of corporation tax, which was subject to some debate last night during consideration of the Finance Bill. Those measures sent a clear signal that business should not face excessive demands to repay the debt legacy left by the previous Government. In contrast, the previous Government had plans to increase the small profits rate, which would have stifled our entrepreneurs and put investment and job growth at risk. However, I urge the Minister, in his

discussions with his colleagues in the Treasury, to keep making the case for those important tax cuts for small businesses. We need to give them the freedom to succeed, and take away the shackles of bureaucratic taxes that eat away at enterprises and stifle their creativity. Businesses have felt far too squeezed for a long time, particularly given the rising costs of doing business—costs in materials, fuel and energy. Of course, tax just eats into that.

I would like to touch on the role of Her Majesty’s Revenue and Customs. It is a constant burden for business—full stop. In particular, I emphasise the attitude of HMRC towards business. I have raised with the Exchequer Secretary in previous debates a number of cases which were drawn to my attention through my case work. Given the way it conducts itself, I doubt whether anyone working in HMRC has any experience of running a business. Bureaucratic language is used. There is unfairness, a failure to get the facts right regarding individual self-assessment, and many issues arising from late-payment charges levied by HMRC. There are some desperate situations. I might write to the Minister following this debate to highlight some areas where we could work with the Treasury to introduce reforms. HMRC is over-zealous in the way it conducts itself with small businesses. We need a degree of common sense, better understanding and better dialogue. HMRC is far too faceless and bureaucratic in dealing with small businesses. We need to stop persecuting the people whom I call the nation’s wealth creators. Let them get on and do what they do best, and treat them in the right way on issues of taxation. There are some key areas of improvement for the HMRC.

On regulation, the Minister and the Government deserve a great deal of praise for the actions they have taken in the past 11 months, and for the commitment they have given to slashing the costs arising from red tape. The announcements in the Budget—long overdue—and the moratorium exempting the smallest of businesses, employing less than 10 people, from additional red tape for a three-year period are particularly welcome.

Businesses in Essex would welcome more support to take on apprentices, a cut in the red tape that hampers exports and more opportunities for our goods and services, in particular in the public sector. I have come across many small businesses that have struggled in that area, and more can be done. I will welcome the Minister’s thoughts. We would like to see more action taken.

The Minister must already be aware of an issue I raised with his colleague, the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), regarding the Agency Workers Regulations 2010. They are having a significant impact and have been a constant worry for many small businesses. From talking to the businesses I have been dealing with locally, it seems the regulations will have a disproportionate impact on SMEs. Small businesses will struggle to absorb such additional costs and burdens.

I thoroughly appreciate the complexity of the issue, which was dealt with by the previous Government, the CBI and the trade unions. However, SMEs felt excluded from the process under the previous Government. SMEs tell me constantly that more could have been done on direct engagement and listening to them and their concerns. The Under-Secretary has been most helpful in taking concerns on board, but it is too little, too late, because a

lot of the regulations were sewn up under the previous Government. I would welcome an update from the Minister on the regulations, as well as some more detail about the progress on the one in, one out rule. Businesses in my constituency definitely do not want to see more regulations and new burdens coming their way.

Clarification is also needed on the future of EU regulations. We welcomed with open arms the announcement that gold-plating would end; it was shameful that the previous Government disadvantaged British business to the extent they did. However, SMEs in Witham are eager to know how the current Government plan to protect them from further regulation by Brussels. Given my constituency's manufacturing businesses, that is a big concern. The Minister is aware of the 2020 strategy developed in Brussels and its implications: we want assurances that it will not go unchecked. I ask for vigilance.

I also press the Minister to look at how to reduce regulation for the beer and pub sector. We have a lot of rural pubs in the constituency, and they create many jobs and have a good impact on the local economy.

Access to credit is a significant challenge for businesses in the constituency. Last autumn, I held a business advice surgery for all small businesses—with the Federation of Small Businesses and the banks, which were very good, actually—to facilitate dialogue and listen to businesses' concerns. Obviously, without the credit lines, businesses cannot survive. My local businesses are struggling, and little progress has been made on access to credit. We welcome Project Merlin, but for me and my businesses locally it is about the money cascading down and going to the front line.

I would like to highlight an example—my constituent Amelia Rope, who runs an amazing chocolate business. She is an inspirational entrepreneur, as far as I am concerned. Her order books are growing—her clients range from Harvey Nichols to Selfridges—and she is desperate for funding. In fact, the Secretary of State saw her about a month ago. Despite even his interaction, no progress has been made with bank lending. That is simply extraordinary. Interestingly, her business seems to fall outside the scope of initiatives such as the enterprise finance guarantee, which should be available, and the banks are not helping her. I would welcome some thoughts on practical measures.

I have one further of example of where we would like to see credit going down to small businesses. A local convenience store in Witham wants to respond to local customer demand by opening a post office counter facility, and it is working with the Post Office to make what would be a good thing happen. Adapting the shop needs some investment, the cost of which is about £10,000. We have made lots of inquiries and have been told that for such a business to get any money, it would have to be making an investment of more than £1 million—that is the level of investment required under the terms of the available schemes, in particular the regional growth fund. That does not help small businesses of that nature, and certainly not that small shop, which I want to see survive, thrive, grow, expand and provide great postal services. I would welcome the Minister's views on that as well.

To sum up, business is doing well in Essex and we want it to grow. We have the right Government with the right policies and initiatives to take away the shackles of

regulation and other burdens. I would welcome the Minister's thoughts, and his accepting the invitation to come to Witham at some stage to meet our local businesses.

4.55 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate my hon. Friend the Member for Witham (Priti Patel) on securing the debate.

As we have heard, my hon. Friend is an outstanding advocate for small businesses in her constituency—the wealth creators, as she has rightly described them. Although I am a Member of Parliament for a Hertfordshire constituency, I recognise that just across the border in Essex there are some fantastic wealth creators. She spelled out the passion of people who start and run a business, and who take that risk to create not only wealth for them and their family but jobs for their community. We often forget that role of small and medium-sized businesses. She has mentioned a remarkable variety of SMEs, including larger businesses, the self-employed sole traders, family firms and a household name. Tiptree, for those of us who enjoy a little jam on the side, is a fantastic household name, and it is seen around the world.

I note—I will go no further than that—my hon. Friend's bid for the enterprise zone. I add that my hon. Friend is absolutely right to spell out the role of the business representative organisations. With 80% of SMEs in her constituency in that group, the networking opportunity is crucial. In many ways, that is the foundation for our thinking, as a new Government, on mentoring and business support, which have an important part to play. Government have a role in helping small businesses. That is not to tinker and meddle in every aspect of business, as perhaps we saw under the previous Government, but to create the stable, long-term framework sought by businesses so that they have the confidence to start, to build and to invest in their ventures.

My hon. Friend has mentioned three areas in particular. I am mindful of time, so I want to respond to her points, if I can. First, with tax, we are taking a comprehensive approach, starting by simplifying a system that has become hideously complex and has for far too long soaked up too much productive time, effort and resource. Simplifying the tax system would give businesses greater clarity and certainty, allowing people who are investing and trying to build a business to have some confidence about not only the current financial year but the next. Part of the process has been cutting the main rate of corporation tax from 28% to 23% and, as she has rightly pointed out, down to 20% for smaller businesses, which is one of the best rates in the G7. However, I am sure that the Chancellor is as open as I am to her suggestion that, in the right time and when the finances allow us, we keep that direction of flow with the tax burden, by reducing the rates further in due course.

My hon. Friend has also rightly raised the issue of high streets. The charges that matter, alongside business taxes, are business rates and national insurance contributions. We have sought to double the threshold of the small business rate relief and extended the duration of the scheme by a year. At the same time, we have reversed the previous Government's bizarre attempt to increase the cost of employing people, through national

[*Mr Mark Prisk*]

insurance contributions, with the express intention of keeping jobs affordable. She rightly pointed out that many of the job creators are SMEs. If payroll taxes increased, as planned, how would businesses have been able to take on new people?

Equally important in such a context is capital gains tax. I am proud to be the member of a Government who in less than 12 months took capital gains tax entrepreneurs' relief from £2 million to £10 million. That might seem somewhat technical, but we are saying to the business owner that we want to reward hard work and endeavour, which is an important part of the change.

I was concerned about the attitude described by my hon. Friend with regard to Her Majesty's Revenue and Customs. It has a business payments support service which, on the whole, works well, in particular with the time-to-pay initiative allowing people to defer VAT and other business taxes. However, I am not unaware of complaints about some offices and some officers, and if she writes to me I would be happy to discuss that with my hon. Friend the Economic Secretary to the Treasury, because we want to ensure that a service that exists to help people with cash flow is operating effectively and consistently.

Let me turn to regulation, which is a perennial problem for all SMEs. During the past 12 months, we have sought to change a culture rather than just a few regulations. As Sir Humphrey might say, it is a courageous step for Ministers, because it is easier to find a few elements, and to say that we have got rid of them, without dealing with the system. The one-in, one-out system is intended to deal with the core of the problem, which is to get Ministers to understand, as SME owners do, that it is not the single measure of regulation that lies heavily on the shoulders of a business, but the cumulative burden. That is why we are forcing Ministers to show, before they introduce additional costs on businesses from regulation, where they can make a corresponding cut. That is the balancing act that we are seeking to achieve.

I can update the hon. Lady. Our first statement, for the first six months of this year from January to June, shows that proposals for 157 measures have been reduced to 46. That is a 70% reduction in the volume of regulatory measures. What is encouraging about that is that just 11 have a net cost on business. Most importantly, it allows us to deliver real savings. For example, the previous Government introduced the right for employees to request time to train, and were going to extend it suddenly to every small business. That would have cost £150 million, but we are scrapping it, not because we are against training, but because many SMEs are doing it anyway. The regulation would have subjected SMEs to paperwork and processes to prove what they were already doing. That was a needless cost, and we have got rid of it.

The net result overall in the first six months will be a reduction of £3.2 billion in the cost of prospective regulatory burdens on SMEs, which is mirrored in other areas. We are scrapping 16 of the regulatory bodies that exist at the moment. We are putting sunset clauses into new domestic regulations and, as my hon. Friend has rightly pointed out, we introduced from last month a moratorium for the smallest firms on the burden of regulation for the next three years.

My hon. Friend has mentioned EU regulations, and I shall touch on that matter, because I know that they cause great concern to her and many of her constituency businesses. We are taking three steps in this regard, first to ensure that Ministers engage far earlier in the process with Brussels so that we do not find ourselves behind the track, and that France, Italy, Germany and others have decided what the principles of the change will be. Secondly, we are ending gold-plating, whereby we have often tied the hands of UK businesses too tightly. Thirdly, on the 2020 strategy, the Prime Minister is leading the way in pressing the Commission to help small businesses, particularly with an exemption for SMEs in EU regulation. We have already taken that step in the UK, and we are looking to roll it out across the other half of the regulatory burden.

My hon. Friend has mentioned the agency workers directive and, as she has said, my hon. Friend the Employment Relations Minister is dealing with that specifically. The deal that was struck in May 2008 included a 12-week qualifying period before an agency worker is entitled to equal treatment. We recognise that some businesses will have real problems with the way that the directive will work from the autumn. If we seek to change the arrangement but do not secure the agreement of the CBI and the TUC as part of that, the danger is that we could find ourselves in a worse position. The dilemma is difficult, which is why we are consulting carefully, and I am pleased that, as my hon. Friend has said, the Employment Relations Minister is looking carefully at the matter to ensure that large and small businesses are engaged in the process.

Access to credit is also a difficult issue for many small firms. I understand the issue of Amelia Rope—what a super business it is. It can be frustrating, and I certainly find it difficult when the Government cannot intervene successfully in an individual case, but the Secretary of State is leading the way in challenging the banks to make sure that they are not only lending, but behaving reasonably.

Neil Parish (Tiverton and Honiton) (Con): Will the Minister give way?

Mr Prisk: If my hon. Friend does not mind, I want to answer the questions asked by my hon. Friend the Member for Witham.

We are taking various steps to help SMEs. First, we have secured an effective lending code and an appeal process, so that, for the first time for a dozen years or more, businesses can tackle the unreasonable behaviour that they sometimes encounter. I have encouraged hon. Members—I suspect that I do not need to encourage my hon. Friend—to back up their businesses, because that is the sort of direct action that has an impact on the chief executive of a major bank.

Secondly, we are extending the enterprise finance guarantee—it is not directly relevant to Amelia Rope's business—so that a further £2 billion of lending can be unlocked. For example, in Essex we have seen 397 businesses secure EFG funding to the value of around £34.5 million. I recognise that that is not the only answer, and my hon. Friend rightly has raised the issue of capital. Debt funding is important, but for many SMEs the capital side—the equity side—is also crucial. That is why we have sought to provide an additional

£200 million through enterprise capital funds, which have been designed deliberately to unlock a total of £300 million—£200 million plus £100 million—in equity funding for capital investment for businesses.

Alongside that—this is specifically relevant to the regional growth fund—we recognise the value of business angels. I am a great believer that business angels sitting alongside a business often bring not only funding, but a little grey hair—I declare an interest in that aspect—in terms of experience. We must ensure that small businesses have someone to bring experience of funding. That is why the regional growth fund has been able to extend the way in which we invest through a business angel co-investment fund. The Government should be careful not to invest public money in the wild belief that we have great wisdom in what to invest in, but if we invest alongside those who are experienced, and have a little skin in the game, we can make a sensible investment and grow that market.

That leads me to a broader point about access to credit. I strongly believe that although we need to take short-term measures with banks, we must deal with the long-term issue of competition in the banking system. If we get more entrants—I believe that we will—we will have a golden opportunity to enable people to choose. Every market works when there is a choice of providers.

The problem with our banking system at the moment is that most SMEs have a choice between three or four players who have similar terms.

My hon. Friend has raised some excellent points about tax, regulation and credit, as well as about how the agency workers directive will work. She has rightly pointed out that we must enable not only the CBI and larger businesses to have the ear of the Government, but also smaller businesses, which sometimes struggle. In the first 12 months, the Government have started to take effective action by cutting red tape, simplifying the tax system, ensuring that the tax system rewards endeavour through the capital gains tax changes, making it easier to start, fund and grow a business and, in particular, by ensuring that we send a message that the Government include people who have run businesses and who understand them and, just as importantly, that we are on the side of small businesses in Witham and throughout the country.

Mr Alan Meale (in the Chair): That concludes the debate. I place on record my thanks to the Commons staff, who have worked vigorously throughout the day.

Question put and agreed to.

5.8 pm

Sitting adjourned.

Written Ministerial Statement

Wednesday 4 May 2011

TREASURY

Terrorist Asset-Freezing Regime (17 December 2010 to 31 March 2011)

The Financial Secretary to the Treasury (Mr Mark Hoban): The Government are committed to reporting quarterly on the operation of the UK's terrorist asset-freezing regime. We believe this is essential to ensure transparency and accountability of the regime. The Terrorist Asset-Freezing etc. Act 2010 (the Act) has enshrined in law the commitment to report quarterly to Parliament on the operation of the UK's asset-freezing regime mandated by UN Security Council Resolution 1373.

This is the first report under the 2010 Act and it covers the period from when the Act came into force on 17 December 2010 to 31 March 2011¹. This report also covers the operation of the UN al-Qaeda and Taliban asset-freezing regime.

As of 31 March 2011, a total of just under £230,000² of funds relating to terrorism were frozen in the UK. This covers funds frozen under the UK's domestic terrorist asset-freezing regime, mandated by UN Security Council Resolution 1373, and also funds frozen under the UN al-Qaeda and Taliban asset-freezing regime, mandated by UN Security Council Resolution 1267.

(1) UK's domestic terrorist asset-freezing regime under the Terrorist Asset-Freezing etc. Act 2010

As of 31 March 2011, a total of 85 accounts containing just over £120,000 were frozen in the UK under the domestic terrorist asset-freezing regime.

Operation of the Terrorist Asset Freezing etc. Act 2010 Asset-freezing designations

In the period 17 December 2010 to 31 March 2011, the Treasury made one new designation under the Act. The final designation was made in respect of the military wing of Hezbollah, including the External Security Organisation (ESO). This replaced a designation of the ESO only, extending the freeze to the entire military wing of Hezbollah.

Reviews under the 2010 Act

The Act contains a transitional provision that ensured that all designations made under the Terrorism (United Nations Measures) Order 2009 which were in force at the time the Act came into force remained valid as final designations under the Act until 17 March 2011, whereupon they would lapse if not already renewed. All 57 UK domestic asset freezes were therefore reviewed during the quarter to see whether they should be renewed as final designations under the Act.

The review process was completed by 17 March 2011 and as a result of these 57 reviews:

37 persons³ had their final designations renewed;

Three persons ceased to be designated and the asset freezes in respect of them were lifted;

A further 16 persons and entities ceased to be designated under the Act but remain subject to asset freezes under EU or UN asset-freezing regimes; and

The designation of the Hezbollah External Security Organisation was revoked and replaced with a new final designation of the military wing of Hezbollah, which includes the ESO.

Licensing

Maintaining a fair and effective licensing system is crucial to ensuring the overall proportionality of the asset-freezing regime, whether the individuals concerned are subject to an asset freeze in accordance with a UN or EU listing, or domestic designation. A licensing framework is put in place for each person in the UK on a case-by-case basis. The key objective of the licensing system is to strike an appropriate balance between minimising the risk of diversion of funds to terrorism and implementing asset freezes in a proportionate way. Licences contain appropriate controls to protect against the risk of the diversion of funds for terrorist finance.

A total of 12 licences were issued this quarter under the Act in relation to four persons subject to an asset freeze. Of these, two were new licences, whereas the other 10 were existing licences which were reissued under the Act so as to reference the current legislation rather than the Terrorism (United Nations Measures) Order 2009, under the authority of which they were originally issued.

In addition to issuing licences relating to a specific person, the Treasury may also issue general licences, which apply to all persons designated under a particular regime or regimes. Licences are granted where there is a legitimate need for such transactions to proceed and where they can proceed without giving rise to any risk of terrorist finance.

Six general licences that had been issued under the 2009 order were reissued this quarter under the Act:

Prisoners' funds—permitting the payment of funds to prison governors to be held and/or applied for the benefit of a designated person;

Provision of insurance to designated persons;

Legal Aid—licensing of payments of aid to designated persons' lawyers;

Provision of emergency goods and services under insurance policies;*

Payment of designated persons' legal expenses by third parties.

*During this quarter, this general licence was subsequently revoked and reissued with amendments.

Legal Challenges

Two legal challenges against designations made under the Terrorism (United Nations Measures) Order 2009 were ongoing in the quarter under review.

(2) UN al-Qaeda and Taliban Asset-Freezing Regime

The UN al-Qaeda and Taliban asset-freezing regime, established under UNSCR 1267, is implemented in the UK by Council Regulation (EC) No. 881/2002. Enforcement measures are provided for in the UK's al-Qaeda and Taliban (Asset-Freezing) Regulations 2010.

As of 31 March 2011, a total of 83 accounts containing just under £110,000⁴ were frozen in the UK under the al-Qaeda and Taliban asset-freezing regime.

Designations

During this quarter, the EU added three people to the list in Annex I to Council Regulation (EC) No 881/2002.

Six people were de-listed during the quarter, three of whom had UK connections.

Licences

No individual licences were issued, varied or revoked in this quarter in relation to persons subject to an asset freeze under the al-Qaeda and Taliban asset-freezing regime.

The general licences referred to above also apply to the UNSCR 1267 regime, with the exception of the general licence for insurance, the provision of which is not prohibited under the UNSCR 1267 regime.

(3) Proceedings

In the quarter to 31 March 2011, no proceedings were initiated in respect of breaches of the prohibitions of the Act or the al-Qaeda and Taliban (Asset-Freezing) Regulations.

¹ The detail that can be provided to the House on a quarterly basis is subject to the need to avoid the identification, directly or indirectly, of personal or operationally sensitive information.

² This figure reflects the most updated account balances available and includes approximately \$64,000 of suspected terrorist funds frozen in the UK. This has been converted using exchange rates as of 08/04/11.

³ In this statement, "persons" is taken to refer to individuals and legal entities or bodies.

⁴ Includes approximately \$64,000 of suspected terrorist funds in the UK.

Petition

Wednesday 4 May 2011

OBSERVATIONS

TRANSPORT

Bus Services (Hartlepool)

The Petition of residents of the borough of Hartlepool,

Declares that the petitioners are concerned that residents in areas of the borough such as The Headland and Burbank, as well as villagers in Dalton Piercy, Elwick and Greatham, have been left isolated and without transport following the decision of Hartlepool Borough council to cut public subsidy to private bus companies.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport to work with the Secretary of State for Communities and Local Government, residents of the borough, Hartlepool Borough Council and bus operators immediately to reinstate the services and then to secure a financial settlement and a regulatory framework which provides a comprehensive, reliable and cheap system of bus transport in Hartlepool, designed to address the social and economic needs of passengers in both the urban and rural areas of the borough, rather than the narrow interests of private bus companies.

And the Petitioners remain, etc.—[Presented by Mr Iain Wright, *Official Report*, 28 March 2011; Vol. 526, c. 142.]

[P000909]

Observations from the Secretary of State for Transport:

The Government continue to provide significant funds for local bus services, in Hartlepool and elsewhere: through bus subsidy for operators and via the national concessionary travel entitlement, which was protected in the Budget.

However, it is not the role of central Government to determine which non-commercial bus services should be supported by local transport authorities. These are decisions which must be made locally, in consultation with the public.

I recognise that local councils are making difficult decisions in the light of reductions in revenue support from central Government, but they have almost total discretion about which services to value when budgeting for the future. Certain councils, such as East Riding of Yorkshire Council, have taken the decision to protect bus services and to make efficiencies elsewhere instead.

In rural areas, community transport can play a valuable role in preventing isolation. I therefore strongly encourage local councils to work in partnership with operators and local communities to examine how more flexible services might be provided. To facilitate this, my Department recently announced a £10 million fund for community transport in rural areas. Hartlepool Borough Council received a share of this fund, as well as six days of consultancy resource from the Community Transport Association.

With regard to the regulatory framework, the Government are waiting for the outcome of the current Competition Commission inquiry into the local bus market before making any decision of the future of bus services in England outside London. In the meantime, the Government encourage local transport authorities and commercial bus operators to work together to ensure that bus services meet the expectations of the travelling public.

Written Answers to Questions

Wednesday 4 May 2011

ATTORNEY-GENERAL

Departmental Rail Travel

Mr Godsiff: To ask the Attorney-General how many first class rail journeys were undertaken by staff in his Department between April 2010 and April 2011; and what the total cost was of such journeys. [53163]

The Solicitor-General: None.

Departmental Work Experience

Chi Onwurah: To ask the Attorney-General what advice the Law Officers' Departments provides to those wishing to (a) work as an intern, (b) undertake a work experience placement and (c) work as a volunteer in those Departments. [52812]

The Solicitor-General: The Treasury Solicitor's Department (TSol), Attorney-General's Office (AGO) and HM Crown Prosecution Service (HMCPSI) do not currently operate any general intern, voluntary or work experience placement schemes. Anyone making inquiries about such types of working is advised of this position and would be routinely directed to the civil service website:

www.civilservice.gov.uk

where civil service jobs are advertised.

HMCPSI does use some volunteers as lay inspectors but these would be recruited directly from charitable organisations with links to the criminal justice system.

TSol also recruit some legal trainees via the Government Legal Service legal trainee scheme and at any given time has about 18 people on the scheme. In advance of commencing their training contracts, TSol also offers work experience to the trainees so that they have some familiarity with the organisation and the wider GLS.

In the Crown Prosecution Service (CPS) work experience placements and volunteer work are devolved and thus managed by individual CPS Areas. Each area advises applicants according to their own local arrangements.

The CPS does not have an intern scheme, but refers those wishing to work as interns to websites with details of Government internship schemes.

The Serious Fraud Office (SFO) currently operates an internship scheme in conjunction with the University of Bath's BSc Business Administration and MSc Advanced Management Practice programmes. Students are recruited through an advertisement at the university and by holding competency based interviews.

When appropriate the SFO also provides some work experience and work shadowing placements, however due to operational constraints the SFO are unable to provide resources to accede to every request received.

Human Trafficking

Jack Dromey: To ask the Attorney-General when he expects the Crown Prosecution Service to publish its public policy statement on the prosecution of cases involving human trafficking. [53331]

The Solicitor-General: The Crown Prosecution Service (CPS) expects to publish its public policy statement on the prosecution of cases involving human trafficking by the end of June.

A public consultation on the draft public policy statement was held last year to seek a wide range of views on how the CPS handles cases involving victims of human trafficking offences. Each individual response has been reviewed and a summary of the responses received will be published at the same time as the public policy statement.

HOUSE OF COMMONS COMMISSION

Dept of the Serjeant at Arms

Keith Vaz: To ask the hon. Member for Caithness, Sutherland and Easter Ross, representing the House of Commons Commission, how many members of the Serjeant at Arms Directorate there are in each payband. [53135]

John Thurso: At 1 April 2011, the full-time equivalent (FTE) staff in post were:

Pay band	Staff numbers (full-time equivalent)
SC1A	1
SC1	1
A1	1
B1	3
B2	3
C	38
D11	8.79
Total	55.79

LEADER OF THE HOUSE

Divisions

Mr Amess: To ask the Leader of the House how many divisions in the House of Commons took place after midnight in each session since 1980-81. [53183]

Sir George Young: The Government do not keep a record of the times of divisions in the House of Commons. This information is however a matter of public record.

Oral Questions

Margot James: To ask the Leader of the House if he will reverse his decision to reduce the time allocation for question time for the Department for Environment, Food and Rural Affairs to 45 minutes. [52995]

Sir George Young: I refer my hon. Friend to the answer I gave on 28 April 2011, *Official Report*, columns 347-48, to my hon. Friend the Member for Thirsk and Malton (Miss McIntosh).

Following a request from the official Opposition, the Government increased the time allocation for questions for oral answer to the Deputy Prime Minister. As a consequence of the pressures on the time available for oral questions, it was necessary for changes to be made to the questions rota.

I have no current plans to reverse this decision, but it will be kept under review.

PRIME MINISTER

Departmental Responsibilities: Older People

Mr Iain Wright: To ask the Prime Minister if he will appoint a Minister for Older People. [53829]

The Prime Minister: The Minister of State for Care Services, the hon. Member for Sutton and Cheam (Paul Burstow) and the Minister of State for Pensions, the hon. Member for Thornbury and Yate (Steve Webb), are responsible for a wide range of issues affecting older people. They jointly Chair the UK Advisory Forum on Ageing.

WALES

Departmental Buildings

Luciana Berger: To ask the Secretary of State for Wales what the (a) name and (b) address is of each building owned by her Department; and what the estimated monetary value is of each such building. [53807]

Mr David Jones: The Wales Office does not own any property. The Department occupies a civil estate building in central London, and rents office accommodation in Cardiff.

SCOTLAND

Oil and Gas: Supplementary Charge

4. **Rosie Cooper:** To ask the Secretary of State for Scotland what discussions he has had with the Chancellor of the Exchequer on the effect on Scotland of the change to the supplementary charge on profits on oil and gas. [53557]

Michael Moore: I have had discussions with many colleagues, including Treasury Ministers, Energy Ministers and senior representatives of the oil industry. As a result of the high oil prices, UK oil and gas production is more profitable. Therefore, it is fair for these companies to contribute more and this is why the Government increased the supplementary charge on profits from UK oil and gas production as part of the fair fuel stabiliser.

Work Programme

10. **Sheila Gilmore:** To ask the Secretary of State for Scotland what discussions he has had with the Secretary of State for Work and Pensions on the recent contracts awarded for the Work programme in Scotland. [53565]

Michael Moore: Over the past year, I have had numerous discussions with ministerial colleagues on the development of the Work programme. The Government are encouraging prime contractors to engage voluntary and private sector organisations in the delivery of the Work programme.

Universal Credit

13. **Iain Stewart:** To ask the Secretary of State for Scotland what discussions he has had with the Secretary of State for Work and Pensions on the implementation in Scotland of the Government's proposals for universal credit. [53568]

David Mundell: The Secretary of State for Scotland and I are in regular contact with the Secretary of State for Work and Pensions on a range of issues concerning implementation of the universal credit in Scotland.

Forests

Miss McIntosh: To ask the Secretary of State for Scotland what recent discussions he has had with the First Minister on forestry policy. [53927]

David Mundell: The Secretary of State and I have had no such discussions. Forestry policy in Great Britain is normally discussed in correspondence between the Forestry Ministers for England, Scotland and Wales.

Roads

Guy Opperman: To ask the Secretary of State for Scotland what recent discussions he has had on the improvement of cross-border roads serving Hexham and Berwick-upon-Tweed. [53561]

David Mundell: Improvements to roads in Scotland are a devolved matter. Transport Scotland is responsible for the management and maintenance of the trunk road network in Scotland. The Department for Transport and the Highways Agency consult directly with Transport Scotland and other bodies on any improvements of motorways and trunk roads in England, including cross-border roads.

COMMUNITIES AND LOCAL GOVERNMENT

Business Premises: Rents

Mr Jim Cunningham: To ask the Secretary of State for Communities and Local Government if he will assess the effects on new businesses of high commercial rents; and if he will make a statement. [53638]

Robert Neill [holding answer 3 May 2011]: High commercial rents would make it more difficult to set up new businesses. Commercial rents are set in the market, and high rents would reflect either strong local competition for premises or a local shortage of suitable business property.

Departmental Public Expenditure

Mr Nicholas Brown: To ask the Secretary of State for Communities and Local Government what provision is made in his Department's comprehensive spending review spending settlement for tax increment financing projects. [53992]

Robert Neill: As part of the Local Government Resource Review we are considering how to deliver Tax Increment Financing proposals against a context of greater retention of business rate revenues. The financing of capital investment under such schemes is from the increase in the business rate yield.

Departmental Work Experience

Chi Onwurah: To ask the Secretary of State for Communities and Local Government what advice his Department provides to those wishing to (a) work as an intern, (b) undertake a work experience placement and (c) work as a volunteer in his Department. [52805]

Robert Neill: The Department for Communities and Local Government participates in the Cabinet Office internship and work placement programmes and runs an internship programme with Greenwich university. All enquiries are directed to the Cabinet Office website.

Enterprise Zones

John Mann: To ask the Secretary of State for Communities and Local Government how often he expects to evaluate the success of enterprise zones; and what performance measure he plans to use for such evaluations. [52723]

Robert Neill: We will be working closely with all of the enterprise zones that are established to ensure that they can all benefit from the experience of the most successful.

John Mann: To ask the Secretary of State for Communities and Local Government whether he plans to take steps to ensure that businesses located in enterprise zones do not substitute capital inputs for labour. [52731]

Robert Neill: Businesses in enterprise zones will benefit from business rate discounts. It will be for businesses, rather than Government, to decide how best to utilise this extra spending capacity.

Chi Onwurah: To ask the Secretary of State for Communities and Local Government whether he has identified potential high value investors that he plans to attract to enterprise zones. [52797]

Robert Neill: The new local enterprise partnerships are at the heart of our commitment to establish the 21 enterprise zones across the UK. As business-led partnerships with a goal of driving sustainable economic growth across local economic areas, local enterprise partnerships are ideally placed to drive enterprise zones forward.

Local enterprise partnerships will develop and implement enterprise zones in their areas, attracting those businesses which they consider will contribute most to local economic growth.

Enterprise Zones: Broadband

Mr Denham: To ask the Secretary of State for Communities and Local Government what provision he has made for funding the development of superfast broadband in the proposed enterprise zones. [53132]

Robert Neill: As specific locations for enterprise zones are put forward, we will consider the broadband networks available in these areas and then decide the most appropriate form of support for market-led roll-out, including, if necessary, public funding.

Enterprise Zones: Finance

Mr Denham: To ask the Secretary of State for Communities and Local Government pursuant to the answer to the hon. Member for Blackpool South of 1 April 2011, *Official Report*, column 530W, on enterprise zones: finance, (1) how many businesses he estimates will save between (a) £0 and £9,999, (b) £10,000 and £49,999, (c) £50,000 and £99,999, (d) £100,000 and £149,999, (e) £150,000 and £199,999, (f) £200,000 and £249,999 and (g) £250,000 and £275,000 in business rates discounts in each enterprise zone announced in Budget 2011 in each year to 2015-16; [53122]

(2) how many businesses he expects will save the maximum of £275,000 over five years in each enterprise zone announced in the 2011 Budget. [53123]

Robert Neill: The Government have put forward a range of measures to develop enterprise zones and make them attractive places to do business. This includes a business rate discount of up to 100% for five years, subject to state aid limits.

The level of discount available will be broadly dependant upon the size and type of business. It will be up to the Local Enterprise Partnerships to identify which type of business they need to attract to promote local growth and this will vary by area.

Fire Services

John McDonnell: To ask the Secretary of State for Communities and Local Government what guidance his Department's Corporate Procurement Division has issued to fire authorities in the last 12 months. [54085]

Robert Neill: The Department's Corporate Procurement Division has issued no guidance to fire authorities in the last 12 months.

John McDonnell: To ask the Secretary of State for Communities and Local Government what guidance his Department has issued to fire authorities on the ethical implications of (a) domestic and (b) overseas contracts held by companies bidding for contracts with the Fire and Rescue Service in the last 12 months. [54086]

Robert Neill: The Department has issued no guidance on the ethical implications of (a) domestic and (b) overseas contracts held by companies bidding for contracts with the Fire and Rescue Service to fire authorities in the last 12 months.

Fire Services: Private Sector

John McDonnell: To ask the Secretary of State for Communities and Local Government how many former Chief Fire Officers (CFO) took up posts in the private sector in each of the last 10 years for which information is available; and what the average time was in each such year between a CFO leaving the public service and taking up a post in the private sector.

[54088]

Robert Neill: This information is not held centrally.

Housing: Planning

Heidi Alexander: To ask the Secretary of State for Communities and Local Government (1) whether he has considered the merits of making the completion of housing needs assessments for all age groups and across all tenures a mandatory requirement for local authorities when drawing up a neighbourhood plan;

[52996]

(2) what mechanism he plans to put in place to ensure that neighbourhood forums and parish councils have access to adequate evidence on levels of local housing need across all tenures and age groups to draw up a neighbourhood plan that accurately reflects local need.

[52997]

Greg Clark: Neighbourhood development plans will need to be in general conformity with strategic policies in the local development plan, which will have been informed by evidence on local housing need and tested at an independent examination. This evidence will be available to neighbourhood forums and parish councils in drawing up neighbourhood development plans.

Mobile Homes

Conor Burns: To ask the Secretary of State for Communities and Local Government whether the general competency arrangements to be introduced under the provisions of the Localism Bill will allow local authorities to introduce a local requirement for owners of residential park homes to meet fit and proper person criteria.

[53021]

Grant Shapps: The general competency power proposed in the Localism Bill will not allow local authorities to introduce a local requirement for owners of residential park home sites to meet fit and proper criteria. The proposed power does not give an authority any power beyond the powers of an ordinary individual—and individuals do not have licensing or other regulatory powers.

I am aware of the problems many park home residents suffer at the hands of unscrupulous site owners, and the difficulties they often encounter in enforcing their rights. This is why, on 30 April, I transferred dispute resolution under the Mobile Homes Act 1983 from county courts to residential property tribunals, to provide a cheaper

and less formal means for residents to enforce their rights. I also plan to consult shortly on improving the buying and selling process for park homes, to prevent the unreasonable blocking of residents' sales. I also plan, at the same time, to consult on a range of targeted measures to improve the site licensing regime that applies to park home sites to give local authorities better tools and resources to more effectively protect the health, safety and welfare of residents.

Planning

John Mann: To ask the Secretary of State for Communities and Local Government whether he plans to implement further planning reforms in addition to those within enterprise zones as part of the Government's plan for growth.

[52726]

Greg Clark: The Plan for Growth sets out a range of planning reforms that the Government intends to implement, alongside the simplified planning regime proposed for Enterprise Zones.

Planning: Sustainable Development

Heidi Alexander: To ask the Secretary of State for Communities and Local Government whether his Department plans to publish a definition of sustainable development prior to the commencement of the National Planning Policy Framework consultation.

[52994]

Robert Neill: The approach to defining sustainable development for planning purposes will be set out in the draft National Planning Policy Framework, to be published for consultation in the summer.

Social Rented Housing: Greater London

Mr Evennett: To ask the Secretary of State for Communities and Local Government how many households were on waiting lists for housing in each London borough in each of the last three years for which figures are available.

[53939]

Grant Shapps: The number of households registered on social housing waiting lists in each local authority, as at 1 April each year is published on the Communities and Local Government website in Table 600. The link for this table is as follows:

<http://www.communities.gov.uk/documents/housing/xls/1783262.xls>

TREASURY

Business: Loans

Mr Denham: To ask the Chancellor of the Exchequer (1) how much and what proportion of the total lending and additional lending to businesses for 2011 above the level in 2010 set out in the Project Merlin agreement is to be provided by each financial institution subject to that agreement; and how much such lending he estimates is attributable to (a) leasing and borrowing on the asset base, (b) invoice financing, (c) loans, (d) intra-group finance and (e) actual drawn down overdraft balances (i) in total and (ii) for each institution;

[54005]

(2) how much and what proportion of the total lending and additional lending to businesses for 2011 above the level in 2010 set out in the Project Merlin agreement is to be provided by each financial institution subject to that agreement in respect of (a) actual overdraft drawn balances and (b) an increase in overdraft limit approvals for (i) all businesses and (ii) small and medium-sized enterprises; [54006]

(3) how much and what proportion of the total lending and additional lending for 2011 above the level in 2010 set out in the Project Merlin agreement is to be provided by each financial institution that is a result of approved overdraft limits where it has been indicated to business that the institution was willing to increase the approved overdraft limit prior to the business making an application. [54007]

Mr Hoban: I refer the right hon. Gentleman to the answer I gave him on 3 May 2011, *Official Report*, column 678W.

Equitable Life Assurance Society: Compensation

Stephen Mosley: To ask the Chancellor of the Exchequer when he plans to publish the full design document for the Equitable Life compensation scheme. [54259]

Mr Hoban: The Equitable Life Payment Scheme design document will be laid before Parliament in the near future. The Treasury is in the process of finalising the detail of the Scheme design with its legal and actuarial advisers.

Financial Services Compensation Scheme

Julian Sturdy: To ask the Chancellor of the Exchequer when he expects the review of the Financial Services Compensation Scheme to begin. [53615]

Mr Hoban: The operation and governance of the Financial Services Compensation Scheme (FSCS) falls within the remit of the Financial Services Authority (FSA). The FSA has commenced a review of the funding model of the FSCS. They will proceed to a formal consultation once discussions on European directives affecting compensation arrangements have been concluded and the Government's policy on the future role of the FSCS in the context of reform of the regulatory architecture for financial services has been settled.

Private Finance Initiative

Caroline Lucas: To ask the Chancellor of the Exchequer if he will make it his policy to report to Parliament his assessment of the amount of tax revenue forgone by the Government as a result of the tax position of payments under private finance initiative contracts to companies based outside the UK. [53656]

Danny Alexander: HM Treasury has issued guidance to Departments which emphasises that Departments should base procurement decisions on the need to secure value for money, independent of any tax advantages which may arise from a bid.

The Government are unable to comment on individual companies' tax arrangements. Any information relating to UK tax liabilities is held by HMRC on a confidential basis and therefore the requested information cannot be provided.

Stocks and Shares

John Mann: To ask the Chancellor of the Exchequer whether he plans to bring forward proposals to protect the public and investors from irregularities concerning the issuing of asset-backed commercial paper third party notes. [52894]

Mr Hoban: The UK has worked closely with international partners to develop new regulation that puts the markets for asset-backed securities on a sounder footing. For example, new standards of transparency and higher capital requirements were proposed by the Basel Committee and have now been implemented across Europe through the Capital Requirements Directive.

In addition, the Treasury, Bank of England and the Financial Services Authority are working with the UK securitisation industry to develop more consistent standards for UK securitisations.

FOREIGN AND COMMONWEALTH OFFICE

Australia and New Zealand: Emigration

Andrew Rosindell: To ask the Secretary of State for Foreign and Commonwealth Affairs how many UK nationals took up residence in (a) Australia and (b) New Zealand in each of the last five years. [53935]

Mr Jeremy Browne: British nationals resident overseas are not obliged to inform our embassies or consulates of their presence although we actively encourage them to do so.

According to the Australian Department of Immigration and Citizenship, the number of UK nationals who have taken up residence in Australia in the last five years are:

	<i>Number</i>
2009-10	25,738
2008-09	30,590
2007-08	28,029
2006-07	31,401
2005-06	32,152

According to the New Zealand Immigration Service, Department of Labour the number of UK nationals with approved residence in the last five years are:

	<i>Number</i>
2009-10	7,773
2008-09	8,641
2007-08	10,030
2006-07	12,273
2005-06	14,674

Bahrain: Politics and Government

Andrew Rosindell: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent assessment he has made of the political situation in Bahrain. [53911]

Alistair Burt: We remain concerned at events in Bahrain. Although the immediate situation appears calmer, there continue to be many credible reports of human rights abuses. We urge the Government of Bahrain to meet all its human rights obligations and uphold political freedoms, equal access to justice and the rule of law. These do not run contrary to security, but are integral to longer term stability. Dialogue is the way to fulfil the aspirations of all Bahrainis. We urge all sides, including opposition groupings, to engage.

Departmental Work Experience

John Mann: To ask the Secretary of State for Foreign and Commonwealth Affairs how many students from (a) the UK and (b) Bassetlaw constituency have been offered internships in his Department since 8 May 2010. [53205]

Mr Bellingham: Since 8 May 2010, the Foreign and Commonwealth Office (FCO) in London has made 58 offers of internships. 50 of these positions were filled. In order to join the FCO, students must be a British citizen and must normally have been resident in the UK for at least two out of the last 10 years prior to their application. As such, all of the people appointed are from the UK.

The FCO does not collect data from candidates regarding their electoral registration.

Khartoum: Human Rights

Katy Clark: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent reports he has received of human rights abuses in response to recent protests in Khartoum. [53306]

Mr Bellingham: Our embassy in Khartoum followed these events closely. We understand that those arrested and detained following protests in Khartoum have now been released. We regularly raise human rights issues with the Government of Sudan, and have made clear that they should ensure the Sudanese people are given the freedom to express their views.

Sri Lanka: Human Rights

Keith Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with his Sri Lankan counterpart on the findings of the report of the UN Secretary-General's Panel of Experts on Accountability in Sri Lanka; and what discussions he has had with his international counterparts on establishing an independent human rights commission. [53993]

Alistair Burt: During my meeting with the Sri Lankan Foreign Minister on 31 March 2011, I encouraged the Sri Lankan Government to engage constructively with the panel. Following publication of the panel's report, our high commission in Colombo attended briefings by the Sri Lankan Foreign Minister. We have used our contact to underline the need for constructive engagement by the Government with the UN to address the serious allegations raised in the panel report.

We have raised with the Sri Lankan Government the importance of having an effective Human Rights

Commission. We will monitor the work of their newly constituted Commission. We regularly discuss and co-ordinate on effective protection of human rights in Sri Lanka with international partners.

United Nations

Lisa Nandy: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans his Department has to contribute to cross-Government coordination of operationalisation of the final report of the UN Special Representative on Business and Human Rights and Transnational Corporations. [52924]

Mr Bellingham: The UK is a strong supporter of Professor John Ruggie and the work he has done as the UN Special Representative on Business and Human Rights and Transnational Corporations. The Foreign and Commonwealth Office is working with a range of interested Government Departments in respect of Professor Ruggie's draft guiding principles on business and human rights which he is due to present to the Human Rights Council in Geneva in June 2011.

Yemen: Politics and Government

Mrs Ellman: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to his counterpart in Yemen on the demonstration on 18 April 2011. [53583]

Alistair Burt: I am aware of the further use of lethal force to disperse protestors in Sana'a and Taiz in the period from 17-19 April 2011 resulting in the deaths of several demonstrators and injuries to many others. The use of live rounds and disproportionate force to quell demonstrations is not acceptable. I, along with the Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Richmond (Yorks) (Mr Hague), and our ambassador in Yemen, have impressed upon senior Yemeni officials the urgent need to respect the right to peaceful protest, to act with restraint and to urgently engage in dialogue to find a lasting political settlement.

Our embassy officials have been in frequent contact with senior members of the Government of Yemen and their Gulf Co-operation Council (GCC) and EU counterparts. Regular meetings have been held with members of the official opposition, civil society and various youth movements, and we continue to monitor the situation.

Intensive political negotiations have been undertaken by the international community during April to help facilitate a lasting agreement between stakeholders in Yemen. An UN envoy, Jamal Benomar, visited Yemen as part of an observation mission. This resulted in the UN Security Council discussing the situation in Yemen for the first time in a closed session on 19 April 2011. Following this, the GCC then brokered a revised transition deal between the ruling party and the official opposition group. I welcome reports that agreement is close and stated my strong support for the proposed settlement in a press release on 25 April 2011. Only through the formal signing of a political transition plan will further violence and continuing instability be avoided.

CULTURE, MEDIA AND SPORT

Apprenticeships

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport how many apprentices (*a*) his Department and (*b*) the arm's length bodies for which he is responsible employed on the latest date for which information is available. [53280]

Mr Jeremy Hunt: My Department employed five apprentices during 2010. The apprentices were supported during their time with the Department by Key Training who worked with them to gain their Level 2 qualifications.

We do not collate this information for our arm's length bodies. Accordingly, I have asked their chief executives to write to the hon. Member for Bury South.

Copies of the replies will be placed in the Libraries of both Houses.

Arts

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport when the Creative Industry Council plans to hold its first meeting; how regularly it plans to meet subsequently; and whether it will be a permanent body. [53277]

Mr Jeremy Hunt: The Creative Industries Council was formed at a round table chaired by myself and the Secretary of State for Business, Innovation and Skills, the right hon. Member for Twickenham (Vince Cable), on 16 March this year, and will meet officially for the first time on 6 July. It is for the Council itself to decide on the frequency of its meetings, but it may meet every six months in order to keep strategic oversight of the work being done by the sub-groups it is planned to set up. I would expect the Council to continue while it is clear that it is adding value, and therefore has the commitment and active support of its members.

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport (1) what his policy objective is on widening access for underrepresented groups in art and cultural activities; [53313]

(2) what his policy objective is on widening participation in art and cultural activities. [53314]

Mr Jeremy Hunt: Objectives for widening access and participation in the arts are set by Arts Council England. It is integral to the Arts Council mission to get more people attending and taking part in the arts, and that the arts reflect the diversity of contemporary England. The Arts Council's 10-year strategic framework 'Achieving great art for everyone':

<http://www.artscouncil.org.uk/about-us/a-strategic-framework-for-the-arts/>

includes the goal "More people experience and are inspired by the arts". Focusing on long-term collaborative action, this strategic framework will enable the Arts Council to work with partners to create the conditions in which great art can be made, experienced and appreciated by as many people as possible.

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport what recent discussions he has held with the Secretaries of State for

(*a*) Education and (*b*) Business, Innovation and Skills on the education and training needs of the creative industries. [53316]

Mr Jeremy Hunt: The Minister for Culture, Communications and Creative Industries has regular meetings with the Minister of State for Further Education, Skills and Lifelong Learning. The Secretary of State for Business, Innovation and Skills and I held a round table on 16 March and the Creative Industries Council will have its first meeting in July.

BBC

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport what recent discussions he has had with (*a*) the Cabinet Office, (*b*) the BBC Trust and (*c*) other media organisations on establishing a common good communication council. [53276]

Mr Jeremy Hunt: I have had no discussions with the Cabinet Office, BBC Trust or other media organisations about establishing a common good communication council since that proposal was recommended in the review of Government direct communication and the role of COI last month. However, my officials have been liaising with the Cabinet Office about possible future developments and the scope for the BBC and other broadcasters to explore innovative promotional collaborations with charities and the voluntary sector.

Broadband

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport whether his Department has set a target for the proportion of the population to have access to high-speed broadband. [53317]

Mr Jeremy Hunt: No specific target has been set. The private sector has announced plans that will provide high speed broadband access to at least two-thirds of the population of the UK. The Government have allocated £530 million up to 2015 to support broadband rollout in those areas the market will not reach. We intend to use that money to support projects that will provide access to high-speed broadband to as many of the remaining third of the population as possible while ensuring a basic level of access to virtually everybody.

It is our aim that by the end of this Parliament, the UK should boast the best superfast broadband in Europe and be up there with the very best in the world.

Film: Industry

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport whether any winners of Academy Awards in 2011 received support from his Department in the last three years. [53269]

Mr Jeremy Hunt: No. Government do not fund film makers directly, however several of the award winners have received support from the national lottery funding administered through The Film Fund managed by the

UK Film Council (UKFC). For example, the principal Oscar winner, *The King's Speech*, received £1.02 million of lottery funding. It is important to note the same Film Lottery Fund mechanism used to support these films is now managed by the British Film Institute (BFI).

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport whether any UK Bafta Award winners in 2011 received support from his Department in the last three years. [53318]

Mr Jeremy Hunt: No, Government do not fund film makers directly; however several of the award winners have received support from the national lottery through the Film Fund managed by the UK Film Council (UKFC). For example, *The King's Speech*, received £1.02 million of lottery funding. Other award nominees such as *Made in Dagenham*, *Another Year* and *The Arbor*, also benefitted from Film Fund Lottery support. It is important to note the Film Lottery Fund mechanism to support these films is currently being managed by the same team of individuals, now operating within the British Film Institute (BFI).

Horseshoe Totalisator Board

Ian Austin: To ask the Secretary of State for Culture, Olympics, Media and Sport (1) what provisions he has put in place to prevent all or part of the Tote being re-sold shortly after its future is determined; [52105]

(2) what anti-embarrassment clauses he has put in place as part of the process to determine the future of the Tote; [52106]

(3) what weighting is being given to each of the stated criteria in the process to determine the future of the Tote; [52107]

(4) what assessment of the long-term effect on the (a) economy and (b) public purse is being made during the process to resolve the future of the Tote; [52110]

(5) what provision he has put in place to prevent the Tote being sold to an operator that bases its remote gambling platforms offshore; [52111]

(6) what steps he is taking to ensure that the outcome of the process to determine the future of the Tote is in the best interests of the horseracing industry. [52113]

John Penrose: For the time being the details of the process for resolving the future of the Tote remain commercially sensitive. I have already outlined as much as I can at this stage to Parliament, in written statements and adjournment debates, and I hope to announce more (including the name of any successful bidder) later in the spring in line with the timetable set by the Chancellor of the Exchequer in Budget 2011.

National Lottery

Rosie Cooper: To ask the Secretary of State for Culture, Olympics, Media and Sport how many lottery terminals there are in England; and how many of these are in supermarket-owned premises. [53194]

John Penrose [*holding answer 28 April 2011*]: The hon. Lady's researchers can find this information in Camelot's Stakeholder Report 2010, in the 'Stakeholder engagement' section, under 'Retailers':

http://www.camelotgroup.co.uk/stakeholderreport2010/03_StakeholderEngagementTable.html

NDPBs: Pay

John McDonnell: To ask the Secretary of State for Culture, Olympics, Media and Sport what the total monetary value is of (a) bonus and (b) special payments paid to (i) executive directors and (ii) members of executive teams of each non-departmental public body and agency for which his Department is responsible in the last three financial years for which figures are available; what criteria were used for making such payments; and what proportion of the annual totals of such payments was paid from the public purse. [53112]

John Penrose [*holding answer 3 May 2011*]: The Department does not collate this information for its arm's length bodies. Accordingly, I have asked their chief executives to write to the hon. Member.

Copies of the replies will be placed in the Libraries of both Houses.

Ofcom

Stephen Timms: To ask the Secretary of State for Culture, Olympics, Media and Sport what fee will be paid to Ofcom for the use of spectrum holdings held by (a) Vodafone, (b) Telefonica and (c) Everything Everywhere in the 2011-12 financial year. [52753]

Mr Vaizey: No fees are payable for the Universal Mobile Telecommunications System ("3G") spectrum auctioned in 2000 which included rights to use to 2021. The total fees payable for other spectrum holdings are £15,618,240 for Vodafone and for Telefonica O2. Everything Everywhere will pay £33,264,000.

Stephen Timms: To ask the Secretary of State for Culture, Olympics, Media and Sport when the method for calculating the fees paid by mobile operators to Ofcom for the use of radio spectrum was last revised. [52754]

Mr Vaizey: The method for calculation of fees was established in 1998. The Government's Direction to Ofcom (20 December 2010) requires Ofcom to revise this to reflect the full market value of the spectrum after the auction for 800 MHz and 2.6 GHz spectrum has been completed.

Stephen Timms: To ask the Secretary of State for Culture, Olympics, Media and Sport what fee was paid to Ofcom in each financial year between 2007-08 and 2010-11 for the use of 1800 MHz spectrum by (a) Orange and (b) T-Mobile. [52755]

Mr Vaizey: For each year during the stated period Orange and T-Mobile paid £16,632,000 each to Ofcom.

Stephen Timms: To ask the Secretary of State for Culture, Olympics, Media and Sport what fee was paid to Ofcom in each financial year between 2007-08 and 2010-11 for the use of 900 MHz spectrum by (a) Vodafone and (b) O2 Telefonica. [52756]

Mr Vaizey: For each year during the stated period, Vodafone and Telefonica O2 paid £12,402,720 each to Ofcom.

Olympic Games 2012: Folk Dance

Bob Russell: To ask the Secretary of State for Culture, Olympics, Media and Sport if he will discuss with representatives of the London Organising Committee of the Olympic and Paralympic games the inclusion of English traditional folk dance in the London 2012 Olympics opening and closing ceremonies; and if he will make a statement. [53785]

Hugh Robertson: Pursuant to my reply to the hon. Member for Colchester of 13 July 2010, *Official Report*, column 615W, the London Organising Committee for the Olympic and Paralympic games (LOCOG) has appointed a world class group of creative experts to develop Olympic and Paralympic ceremonies that will reflect this country's rich and diverse culture and heritage. Where necessary, Ministers at the Department for Culture, Media and Sport meet LOCOG representatives about various London 2012 matters but creative decisions relating to the ceremonies are for LOCOG to take.

Public Holidays

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport what recent representations he has received on the Government's proposal to move the May day bank holiday. [53312]

Mr Jeremy Hunt: Since the publication of the strategy, on the 4 March, the Department has received a wide range of correspondence relating to this issue from Members of Parliament, tourism organisations and members of the public. All correspondence will be taken into account in the consultation exercise.

UK Film Council

Mr Ivan Lewis: To ask the Secretary of State for Culture, Olympics, Media and Sport what estimate he has made of the cost of closing the UK Film Council. [53275]

Mr Jeremy Hunt: The negotiations affecting the final costs associated with the closure have yet to be fully completed and it would therefore be premature to give an estimate at this point.

ENERGY AND CLIMATE CHANGE

Climate Change: Australia and New Zealand

Andrew Rosindell: To ask the Secretary of State for Energy and Climate Change what recent discussions he has had with the (a) Australian and (b) New Zealand government on greenhouse gas emissions and climate change. [53913]

Gregory Barker: The Secretary of State for Energy and Climate Change regularly discusses climate change issues with key international partners, including Australia and New Zealand.

Most recently, he took part in discussions with Greg Combet, Australian Minister for Climate Change and Energy Efficiency, at the Major Economies Forum in Brussels last week. Earlier in April he met with Martin Ferguson, Australian Minister for Resources and Energy at the Clean Energy Ministerial (CEM) held in Abu Dhabi where among other issues they discussed the Carbon Capture Utilisation and Storage Action Group under the CEM which is jointly led by Australia and the UK.

Electricity: Meters

Priti Patel: To ask the Secretary of State for Energy and Climate Change how many smart meters were installed into domestic properties in each of the last 24 months; how many domestic properties he estimates are without smart meters; and when he expects all domestic properties to have smart meters installed. [53850]

Charles Hendry: I expect the mass roll out of compliant smart meters to be completed in 2019. At present a relatively small number of households are receiving meters with smart functions from their suppliers.

Priti Patel: To ask the Secretary of State for Energy and Climate Change whether he has assessed the merits of deploying a standard smart meter containing uniform technology. [53851]

Charles Hendry: On 30 March 2011, DECC and Ofgem published the response to the consultation on the Smart Metering Prospectus on:

http://www.decc.gov.uk/en/content/cms/consultations/smart_mtr_imp/smart_mtr_imp.aspx

The response sets out the approach to developing minimum smart meter specifications to deliver interoperability to support the functioning of the competitive market.

Priti Patel: To ask the Secretary of State for Energy and Climate Change (1) what estimate he has made of the cost to (a) energy companies and (b) households of introducing smart meters; [53852]

(2) whether he has undertaken a recent impact assessment of the costs of introducing smart meters. [53855]

Charles Hendry: On 30 March 2011, DECC and Ofgem published the response to the consultation on the Smart Metering Prospectus on:

http://www.decc.gov.uk/en/content/cms/consultations/smart_mtr_imp/smart_mtr_imp.aspx

This was accompanied by revised impact assessments for the domestic and non-domestic smart meter roll-outs, which include the estimated costs to energy companies and households, as well as estimated benefits.

Priti Patel: To ask the Secretary of State for Energy and Climate Change when he last discussed the roll-out of smart meters with representatives from the energy industry. [53853]

Charles Hendry: I regularly meet representatives of the energy industry to discuss various aspects of the roll-out of smart meters. The most recent formal meeting was 24 January 2011 when I met with a group of senior representatives of the major suppliers and other key stakeholders to discuss the roll out of smart meters, and have another meeting planned later this month.

Neil Parish: To ask the Secretary of State for Energy and Climate Change what estimate he has made of the average cost to energy retailers of supplying and installing a smart (a) gas and (b) electricity meter. [54070]

Charles Hendry: On 30 March 2011, DECC and Ofgem published the response to the consultation on the Smart Metering Prospectus on:

http://www.decc.gov.uk/en/content/cms/consultations/smart_mtr_imp/smart_mtr_imp.aspx

This was accompanied by revised impact assessments for the domestic and non-domestic smart meter roll-outs, which include estimates of costs of supplying and installing smart gas and electricity meters.

Neil Parish: To ask the Secretary of State for Energy and Climate Change what steps he is taking to ensure that the introduction of smart metering facilitates a wider choice of tariff structures. [54071]

Charles Hendry: The roll-out of smart meters will facilitate more innovative energy tariffs in a variety of ways, including tariffs which vary by time-of-use. Many more such tariffs will be technically feasible with smart meters. Smart meters will also make it easier for consumers to switch, which over time will reward companies who make new tariff offerings that are attractive to consumers. Ofgem, the energy market regulator, will continue to monitor and regulate energy suppliers in order to promote competition and innovation, and to protect the interests of energy consumers. DECC and Ofgem are working closely together on smart meter roll-out, to ensure that suppliers have appropriate incentives and obligations to deliver smart meters and drive innovation.

Energy: Business

Luciana Berger: To ask the Secretary of State for Energy and Climate Change what assessment he has made of the accessibility of the Green Deal marketplace to small and medium-sized enterprises. [54061]

Gregory Barker: The Government are committed to ensuring competition in all three customer-facing roles in the value chain: advisers, installers, and providers. The framework is intentionally flexible to enable multiple business models to compete. Chapter 3 of “The Green Deal: a Summary of the Government’s Proposals”, published in December 2010, covers this in more detail and is available here:

<http://www.decc.gov.uk/assets/decc/legislation/energybill/1010-green-deal-summary-proposals.pdf>

Annex 3 of the Green Deal Impact Assessment, also published in December 2010, includes a preliminary assessment of the impact of the Green Deal legislation on small and medium size enterprises. It covers the impact of the proposals on the structure of the market

and the impact of additional administrative costs on smaller and medium sized enterprises. This assessment is informing the development of secondary legislation. The impact assessment is available here:

<http://www.decc.gov.uk/assets/decc/legislation/energybill/1002-energy-bill-2011-ia-green-deal.pdf>

Energy: Housing

Mr Buckland: To ask the Secretary of State for Energy and Climate Change what estimate he has made of the number of homes that will be brought up to standard under the Green Deal in Swindon. [52860]

Gregory Barker: An estimate of the number of homes that will be brought up to standard under the Green Deal in Swindon has not been made. However, the Green Deal will be on offer to all households (in 2001 there were around 75,000 households in Swindon)¹ and there is no reason to believe that take-up in Swindon will be lower or higher than the national average.

The Green Deal Impact Assessment², published alongside the Energy Bill in December 2010, presented illustrative scenarios in which between 7.1m and 11.5m measures are installed in homes through the Green Deal and the Energy Company Obligation by the end of 2020 across Great Britain. The maximum feasible potential by 2020 was estimated to be 16.4m measures. It would be expected that measures would continue to be installed under the Green Deal beyond 2020.

¹ <http://www.places.communities.gov.uk/download.aspx?theme=7&geolevel=15&dataset=250&place=324>

² <http://www.decc.gov.uk/publications/basket.aspx?filetype=4&filepath=legislation%2fenergybill%2f1002-energy-bill-2011-ia-green-deal.pdf>

Luciana Berger: To ask the Secretary of State for Energy and Climate Change if he will estimate the reduction in carbon emissions from housing stock resulting from the introduction of the Green Deal if (a) 10% (b) 20% (c) 30% (d) 40% (e) 50% (f) 60% (g) 70% (h) 80% (i) 90% and (j) 100% housing stock took up a Green Deal package. [54062]

Gregory Barker: The Green Deal Impact Assessment (IA)¹ published alongside the Energy Bill in December 2010 presented estimates of the “maximum feasible potential” from the residential sector (8.7MtCO₂e in 2020, and lifetime savings of 287MtCO₂e). The IA also presents illustrative low and high take-up scenarios. These scenarios suggest carbon savings in 2020 of 3.9 and 5.8MtCO₂e or lifetime carbon savings of 126 and 193MtCO₂e respectively.

Assuming one measure per household, the “maximum feasible potential” could see 16.4m households receiving a measure, or around 60% of the housing stock. Under the low and high illustrative scenarios 7.1m and 11.5m households could receive a measure, or around 30% and 40% of the housing stock respectively.

The illustrative scenarios present the number of measures installed over the period to 2020 taking into consideration a range of demand and supply-side barriers to rollout. For example, the “maximum feasible potential” scenario considers a world with no demand barriers and limited supply-side barriers, in which around 90% of the remaining loft and cavity walls are insulated and around 45% of

the technical potential for solid wall insulation is installed by the end of 2020; additional feasible potential would be expected to be available after this date.

The scenarios limit the range of insulation measures (loft, cavity wall, solid wall, party wall and door insulation, and glazing). Other measures may well be available under the Green Deal.

¹ <http://www.decc.gov.uk/publications/basket.aspx?filetype=4&filepath=ligislation%2fenergybill%2f1002-engery-bill-2011-ia-green-deal.pdf>

Oil: Refineries

Michael Connarty: To ask the Secretary of State for Energy and Climate Change what assessment he has made of the potential effects of the Carbon Reduction Commitment Energy Efficiency scheme on the operating costs of companies in the oil refining industry. [53997]

Gregory Barker: The cost impact will vary between participants depending on their size, type and success in reducing their energy bills through energy efficiency measures. Government have not undertaken any additional assessment on the impact of the CRC Energy Efficiency scheme on competition since publication of the final impact assessment in January 2010.

The energy efficiency measures encouraged by the CRC can make organisations more competitive via the cost savings on their energy bills.

Government are currently reviewing the interaction between the EU Emissions Trading System (EU ETS), Climate Change Agreements (CCAs) and the CRC as part of the CRC simplification review. This interaction is of particular relevance to the oil refinery industry.

Michael Connarty: To ask the Secretary of State for Energy and Climate Change (1) what plans he has to reduce the UK's reliance on imports of diesel and jet fuel; [53999]

(2) what recent assessment he has made of the international competitiveness of the UK oil refining industry in comparison to (a) other EU countries and (b) the rest of the world; [54000]

(3) what his policy is on incentives for investment in oil refining. [54003]

Charles Hendry: The UK operates within an international market for petroleum products. Levels of imports and exports have fluctuated over the past decade; a significant proportion of the products consumed in the UK are imported and a similar level of UK production is exported. We recognise that the UK's demand for oil products has changed over the last 10 to 15 years, driven by growth in the aviation sector, the increasing numbers of diesel vehicles and a reduction in the use of oil for power generation.

Work conducted for the Department by Wood Mackenzie¹ concluded that the position of UK refineries is middle to low relative to their European competition. This is due to structural factors (e.g. central European markets are landlocked and hence less open to imports and competition) and the fact that UK refineries process higher quality (and hence higher cost) North sea crude feedstock than is the case in much of Europe. Further work to assess the competitiveness of the sector in more detail is currently under way.

The Government recognise that the retention of a refining sector in the UK offers benefits in terms of security of supply (balancing the risks between crude oil and refined product markets) as well as wider socio-economic benefits. Recent investment in several UK refineries demonstrates the continuing importance of this sector the UK. It is Government's role to create the best conditions to ensure that the UK's demand for petroleum products continues to be met; we are seeking to do this through ensuring that the legislative and regulatory framework provides an appropriate balance between meeting wider policy objectives such as environmental protection, ensuring that the international trade in petroleum products can continue and seeking to ensure that the legislative and regulatory framework does not place undue burdens upon domestic industry.

¹ UK Downstream Oil Infrastructure—Final report, June 2009

Michael Connarty: To ask the Secretary of State for Energy and Climate Change what recent meetings he has had with oil refinery owners to discuss (a) future investment in the sector, (b) skills development and (c) the effects of environmental legislation on operating costs. [54004]

Charles Hendry: I have regular contact with the UK Petroleum Industry Association (UKPIA) which represents UK oil refiners including attendance at the Downstream Oil Industry Forum in January 2011 where trade associations including UKPIA represent the UK downstream oil industry sector.

I have had no recent meetings with individual oil refinery owners specifically to discuss future investment in the sector, skills development and the effects of environmental legislation on operating costs. My officials have regular contact with oil refinery owners on a range of issues, and I am always happy to meet with oil refinery owners to discuss their importance to the sector and to the economy.

Michael Connarty: To ask the Secretary of State for Energy and Climate Change what the membership of the Downstream Oil Industry Forum is; and on what occasions it has met since May 2010. [54027]

Charles Hendry: The Downstream Oil Industry Forum (DOIF) provides a forum for strategic engagement between the downstream oil sector and the Government. It meets twice a year and is chaired by DECC officials. Membership comprises representatives from: the Department of Energy and Climate Change (DECC), the UK Petroleum Industry Association (UKPIA), the Downstream Fuel Association (DFA), the Federation of Petroleum Suppliers (FPS), UKLPG (acting on behalf of liquid petroleum gas distributors), the Tank Storage Association (TSA), RMI Petrol, representatives of the devolved Administrations and the Office of Fair Trading (OFT). Representatives of other organisations can be invited as necessary. The DOIF has met three times since May 2010; in July 2010, September 2010 and January 2011.

Thorium

Malcolm Wicks: To ask the Secretary of State for Energy and Climate Change (1) what plans he has for the future of thorium-based technology in the UK; and if he will make a statement; [54123]

(2) what plans he has for the provision of funding for research and development of thorium technology in the UK; and if he will make a statement. [54124]

Charles Hendry: The Department is aware of the potential of thorium fuelled nuclear reactor designs and is in the process of assessing claims regarding its suitability as an alternative to uranium based reactors in the longer-term.

The Government's chief scientific adviser, Sir John Beddington, with input from a number of sources, recently co-ordinated an assessment of the prospects for research into advanced thorium reactors. Additionally, the National Nuclear Laboratory (NNL) undertook a recent independent assessment, in which it assessed a number of claims made by proponents of thorium fuel. The report can be found at:

www.nnl.co.uk/positionpapers

The conclusion was that, while the science is reasonably sound, developing reactors based on a thorium fuel cycle would carry major commercial risks. The resources required to develop these technologies to the point at which they might be deployed successfully at a commercial scale are also very significant.

To date, both in the UK and elsewhere in the world, this has prevented private industry and Government from investing in the development of the technology. No thorium reactor design has been implemented beyond relatively small, experimental systems, while many either exist only on paper or have only had specific subsystems demonstrated. As an indicator of the challenge of taking this technology further, the Chinese Academy of Sciences estimates a development period of at least 20 years will be required before a demonstration thorium molten salt breeder reactor might be available.

While thorium does not appear to have a part to play in the UK's near to mid-term energy market, we do maintain an interest in its development. The Secretary of State has asked the NNL to look further into the wider benefits of next generation reactor designs and to compare the use of thorium and uranium fuels in them. We are expecting the findings to be available by the end of the summer.

TRANSPORT

Blue Badge Scheme

Bill Esterson: To ask the Secretary of State for Transport pursuant to the answer of 31 March 2011, *Official Report*, columns 451-52W, on the Blue Badge Scheme, if he will provide funding to local authorities sufficient to ensure that all people over the age of 65 years who cannot claim the higher rate mobility component of disability living allowance can be issued with a Blue Badge under the eligible subject to further assessment criteria. [54008]

Norman Baker: Disabled people over the age of 65 can be issued with a Blue Badge if they meet one of the eligibility criteria in the regulations that govern the scheme. It would not be right to enable people to be issued with a badge solely on the basis of their age.

Central Government do not provide local authorities with specific funding for their general responsibilities for administering and enforcing the Blue Badge scheme. However, from April 2011, control of funds for eligibility assessments transferred from the NHS to badge issuing

local authorities. This was done as part of the Department for Health's £1.3 billion Learning Disability and Health Reform Grant. In 2011-12, the Health Reform aspect includes £5.4 million for the Blue Badge scheme.

Departmental Conditions of Employment

Nia Griffith: To ask the Secretary of State for Transport what his policy is on the future of the (a) pension and (b) other entitlements of employees of his Department's Shared Service Centre in the event that it enters private ownership. [52493]

Norman Baker: Any transfer of shared services to a new provider will be subject to the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and applicable Cabinet Office guidance.

The Treasury is currently conducting a review of the policy that applies to the pensions of staff who transfer from the public sector.

Departmental Manpower

Stewart Hosie: To ask the Secretary of State for Transport how many staff in his Department were in the Civil Service redeployment pool on the latest date for which figures are available; and how many of these had been in the redeployment pool for more than six months at that date. [44354]

Norman Baker: Within the central Department and its seven executive agencies there are currently 161 staff in redeployment pools (of which 44 are in the central Department's redeployment pool). Fewer than five of the 161 staff have been in a redeployment pool for more than six months. These figures are accurate as at 15 April 2011.

Mr Nicholas Brown: To ask the Secretary of State for Transport what public sector job reduction targets have been set for his Department and its non-departmental public bodies for each of the next 24 months; and what steps he plans to take to meet such targets. [51519]

Norman Baker: The Department for Transport and associated bodies have no specific job reduction targets. Following last year's spending review it is committed to a 33% reduction in the administration budget (composed of pay and non-pay costs) by the end of 2014-15. For estimates for changes in full-time equivalents for its non departmental bodies, I refer the hon. Member to the answer of 28 March 2011, *Official Report*, column 88W.

Nia Griffith: To ask the Secretary of State for Transport (1) what requirements he plans to place on any private provider in respect of the location of his Department's Shared Service Centre and its associated jobs; [52494]

(2) what proportion of posts in his Department's Shared Service Centre in Swansea will be retained following privatisation. [52495]

Norman Baker: The Department for Transport Board decided on 9 December 2010 that its preferred option for the Shared Service Centre in Swansea was that it would be sold to a private sector provider. In taking this decision, the Board has committed to buying shared

services from the new owner for up to 10 years and plans to require the new owner to retain a significant presence in Swansea.

The details of this are continuing to be developed as the Department moves towards launching a procurement process.

Departmental Official Cars

Maria Eagle: To ask the Secretary of State for Transport on what date (a) he and (b) each other Minister in his Department last used a ministerial car while travelling in an official capacity; and how many times (i) he and (ii) each other Minister in his Department has travelled to their constituency in a ministerial car since May 2010. [50183]

Norman Baker: The information is as follows:

(a) The Secretary of State for Transport, the right hon. Member for Runnymede and Weybridge (Mr Hammond), last used a ministerial car to travel in an official capacity on 3 May 2011.

(b) The Minister of State, Department for Transport, the right hon. Member for Chipping Barnet (Mrs Villiers), last used a ministerial car to travel in an official capacity on 24 March 2011.

The Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), last used a ministerial car to travel in an official capacity on 27 April 2011.

I last used a ministerial car to travel in an official capacity on 29 March 2011.

(i) Information on the Secretary of State for Transport's journeys to his constituency in a ministerial car is not held because he is provided with a ministerial car on a contract basis and journeys made within the contracted hours are not recorded individually. However, the Secretary of State has not used his car to travel to his constituency since May 2010.

(ii) The Minister of State has not made any journeys to her constituency in a ministerial car since May 2010.

The Under-Secretary of State has made 102 journeys to his constituency in a ministerial car since May 2010.

I have made no journeys in a ministerial car to my constituency since May 2010.

Departmental Redundancy

Simon Kirby: To ask the Secretary of State for Transport how many civil servants in his Department have been offered voluntary redundancy since April 2010; and if he will make a statement. [49184]

Norman Baker: Within the central Department and its seven executive agencies 469 staff have been, offered voluntary redundancy since 1 April 2010, not all of whom subsequently took it up. Of these 469 staff, 200 were from the central Department.

High Speed 2 Railway Line

Christopher Pincher: To ask the Secretary of State for Transport with reference to his Department's consultation document on High Speed 2, page 119, if he will consider making provision for property blight

compensation arising from the announcement of the recommended route on 21 December 2010 rather than one year after the railway is built. [53061]

Mr Philip Hammond [*holding answer 28 April 2011*]: The Government are currently consulting on a range of options for discretionary support (in addition to the assistance already provided under the statutory blight and compensation provisions) for owners of properties which experience a significant diminution in value as a result of proximity to any new high speed rail line between London and the west midlands. Respondents to the consultation may wish to provide comments on these options, or suggest alternative approaches, and the Government will consider these. No decisions will be taken on what option or options should be taken forward to the next stage until the consultation process has ended and all responses have been analysed.

Transport: Finance

Maria Eagle: To ask the Secretary of State for Transport (1) what steps he is taking to reduce the local private finance initiative revenue budget; how much each action he plans to take will save; and how much will be saved through each action in each financial year of the comprehensive spending review period; [46336]

(2) what financial provision his Department has made for the private finance initiative contract for highways maintenance in the Isle of Wight for the period beyond 2014-15; and what proportion this represents of his Department's provision for private finance initiative projects in that period; [46490]

(3) what financial provision his Department has made for the private finance initiative contract for highways maintenance in the London borough of Hounslow for the period after 2014-15; and what proportion this constitutes of his Department's provision for private finance initiative projects in that period; [46491]

(4) what his Department's budget is for the private finance initiative project for highways maintenance in the Isle of Wight in each year between 2010-11 and 2014-15; [46492]

(5) what his Department's budget is for the private finance initiative project for highways maintenance in the London Borough of Hounslow in each year from 2010-11 to 2014-15; [46493]

(6) what financial provision his Department has made for the private finance initiative contracts for highways maintenance in Sheffield for the period after 2014-15; and what proportion this constitutes of his Department's provision for private finance initiative projects in that period; [46494]

(7) what the budget is for his Department's private finance initiative project for highways maintenance in Sheffield in each year between 2010-11 and 2014-15. [46495]

Norman Baker: Following the spending review announcement we have been working with promoters of the remaining 2nd round street lighting PFI projects, Nottingham Express Transit Phase 2 light rail scheme and highways maintenance projects in Sheffield, Isle of Wight and Hounslow, to ensure these projects are affordable.

I can confirm we are on track to achieve an overall 5% reduction in the Department's financial contribution to the remaining 2nd round street lighting projects and hope to make announcements on these projects soon.

I also refer the hon. Member to the Department for Transport's press notice issued on 24 March 2011 in regards to the other four schemes. This announced that we have been able to agree overall savings of 21% (over the life of these projects) in the Department's contribution, while retaining the essential integrity of the schemes.

These projects can now continue with their procurement processes and, subject to approval of a final business case, award the service contracts.

The following table provides the Department's annual grant to the Nottingham Express Transit, Sheffield, Isle of Wight and London borough of Hounslow projects, if they achieve final approval.

Name of PFI Project	£ million						Percentage of Department's provision of PFI projects beyond 2014-15
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (onwards)	
Nottingham Express Transit Phase 2	0	0	0	33.9	35.4	35.4	11
Sheffield Highways Maintenance	0	0	36.1	44.9	46.1	49.2	15
Isle of Wight Highways Maintenance	0	0	0	15.3	17.1	19.8	6
London borough of Hounslow Highways Maintenance	0	0	0.814	10.7	12.3	14.3	4

Mr Nicholas Brown: To ask the Secretary of State for Transport to what extent (a) regional input into transport policy and (b) funding decisions on projects in regions are devolved in England. [51500]

¹ "Financing a Private Sector Recovery", a consultation document published by BIS in September 2010

<http://www.bis.gov.uk/assets/biscore/corporate/docs/f/10-1081-financing-private-sector-recovery.pdf>

Norman Baker: In line with greater localism, the Government have already devolved many aspects of transport policy and funding to the local authority level, through for example simplifying and reforming local transport funding. The Government will announce how they intend to take forward further aspects of such devolution in due course.

Business: Advisory Services

Graham Jones: To ask the Secretary of State for Business, Innovation and Skills what plans he has to assist small businesses following the closure of the Business Link advice service. [52974]

BUSINESS, INNOVATION AND SKILLS

Bread: Prices

John McDonnell: To ask the Secretary of State for Business, Innovation and Skills whether his Department has conducted research into the sale of bread below cost price. [53028]

Mr Davey: The Department has not conducted any research into below cost selling of bread. The prices an enterprise charges for its products is primarily a commercial matter for the enterprise concerned.

Business

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills what comparative assessments he has made of the (a) size and (b) contribution to the economy of UK mid-cap businesses. [52823]

Mr Prisk: Section 3.11 of "Financing a Private Sector Recovery"¹ states

"Mid-sized firms (sometimes referred to as 'mid-caps') are defined here as having a turnover of £25 million to £500 million. Although there are only around 10,000 companies in this category, they account for around a third of total private sector employment in the UK because of their greater individual size."

Mr Prisk: The 'Bigger, Better Business' pamphlet published on 5 January, set out the Government's plans for modernising the provision of publicly funded support, information and advice for business. The pamphlet can be found on the BIS website at:

www.bis.gov.uk/assets/biscore/enterprise/docs/b/11-515-bigger-better-business-helping-small-firms

These plans include closure of the regional Business Link advisory service. This will enable Government to: focus publicly funded face-to-face advice on helping businesses with the potential to achieve high growth; improve the national Business Link website by offering on-line business information and tools tailored to the individual needs of businesses, supported by a new national contact centre for those who cannot access the information they need on the website; and engage with business mentoring providers and the British Banking Association to develop a mentoring network.

The Government are establishing Local Enterprise Partnerships (LEPs) that will develop links to existing private sector provision for business support and encourage their use. We are providing LEPs with information on the different Government programmes and access to funds to help their local communities.

Graham Jones: To ask the Secretary of State for Business, Innovation and Skills what assessment he has made of the effects on small businesses of the closure of the Business Link advice service. [52975]

Mr Prisk: The Government are fundamentally changing the way in which it provides information and advice to small business. These changes are based on evidence and the views of the wider business community.

These changes will:

Focus public expenditure on intensive support to deliver growth, through Business Coaching for Growth—as high growth SMEs create nearly 50% of private sector job creation;

Continue to improve the Business Link website to provide consistent, quality information to the majority of businesses as part of their interaction with Government, allowing 24 hrs access and using the latest technologies;

Offer a new national telephone contact centre to support businesses that do not use the internet;

Engage with business mentoring providers and the British Banking Association to develop a network of business mentors for small businesses—as SMEs prefer the advice of other business people and professionals;

Allow Local Enterprise Partnerships (LEPs) to develop links to existing private sector provision for business support and access to funds to help meet local needs.

Cancer: Research

Natascha Engel: To ask the Secretary of State for Business, Innovation and Skills how much funding the Medical Research Council provided for research into (a) leukaemia, (b) brain cancer, (c) lung cancer, (d) colorectal cancer, (e) breast cancer and (f) prostate cancer in (i) 2008-09, (ii) 2009-10 and (iii) 2010-11. [52717]

Mr Willetts: The Medical Research Council (MRC) does not hold the information in the format requested. It would not be possible to undertake the necessary analysis in the time available.

I understand from the MRC that they do intend to undertake analysis of the 2008-09 and 2009-10 data and this will be available in due course. Information for 2010-11 should be available later in autumn 2011. The MRC spends approximately £105 million (2009-10 data) on cancer and research relevant to cancer.

Community Interest Companies

Chris Ruane: To ask the Secretary of State for Business, Innovation and Skills how many community interest companies were registered in each region in each of the last 10 years. [52699]

Mr Davey: I refer the hon. Member to the answer I gave to the hon. Member for Vale of Clwyd (Chris Ruane) on 10 March 2011, *Official Report*, column 1252W.

Construction: Standards

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills (1) what information his Department holds on the number of pieces of work carried out by bodies accredited to the TrustMark scheme for each of the last five years; and if he will make a statement; [54013]

(2) what information his Department holds on the number of complaints received by TrustMark on a member of a TrustMark scheme operator in each of the last five years; and if he will make a statement. [54014]

Mr Prisk: I understand TrustMark's estimate is that some 7.8 million pieces of work were carried out over the past five years by bodies accredited to the scheme; and that the level of complaints over this period equates to around one for every 7,500 pieces of work undertaken.

Departmental Buildings

Luciana Berger: To ask the Secretary of State for Business, Innovation and Skills what the (a) name and (b) address is of each building owned by his Department; and what the estimated monetary value is of each such building. [53803]

Mr Davey: The Department does not own any buildings.

Departmental Official Cars

Maria Eagle: To ask the Secretary of State for Business, Innovation and Skills on what date (a) he and (b) each other Minister in his Department last used a ministerial car while travelling in an official capacity; and how many times (i) he and (ii) each other Minister in his Department has travelled to their constituency in a ministerial car since May 2010. [50185]

Mr Davey: BIS has one ministerial car which was last used in an official capacity by:

my right hon. Friend the Secretary of State on 27 April;

my hon. Friend the Minister of State for Business and Enterprise on 14 April;

my Noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills on 12 April;

my right hon. Friend the Minister of State for Universities and Science on 6 April;

my Noble Friend the Minister of State for Trade and Investment on 29 March;

my hon. Friend the Minister of State for Skills and Lifelong Learning on 2 March;

and myself on 27 April.

Numbers of journeys to constituencies since May 2010 could be provided only at disproportionate costs but the use of the car by Ministers is in line with Section 10 of the Ministerial Code.

Departmental Public Transport

Maria Eagle: To ask the Secretary of State for Business, Innovation and Skills on what date (a) he and (b) each other Minister in his Department last travelled by (i) London Underground and (ii) public bus services on government business; how many times (A) he and (B) each other Minister in his Department has travelled by each such form of transport on government business since May 2010; and if he will make a statement. [50075]

Mr Davey: Dates and numbers of trips by London Underground or public bus could be provided only at disproportionate cost. However Ministers do travel by public transport wherever possible, taking into account security requirements and other relevant considerations.

Maria Eagle: To ask the Secretary of State for Business, Innovation and Skills how many of his ministerial team have been issued with (a) an Oyster card and (b) a (i) monthly and (ii) annual travel card valid on London Transport and paid for by his Department for use while travelling on Government business. [50163]

Mr Davey: The Department has not paid for its Ministers to have Oyster or travel cards to use when travelling on Government business.

All travel by Ministers is in alignment with Section 10 of the Ministerial Code issued in May 2010.

Earthquakes: Japan

Ian Lucas: To ask the Secretary of State for Business, Innovation and Skills (1) if he will assess the potential effects of the recent East Japan earthquake on manufacturing production in the UK; [53327]

(2) whether he has had recent discussions with representatives of Japanese companies in the UK concerning the potential effects of the recent East Japan earthquake on industrial production by those companies in the UK. [53328]

Mr Prisk: BIS officials are in regular contact with a number of manufacturers including representatives of Japanese companies in the UK to discuss the situation and are continuing to monitor the impact of the earthquake.

Economic Growth

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills with reference to section 2.109 of the Plan for Growth, what criteria he plans to use to identify small and medium-sized enterprises with the potential to achieve rapid and significant growth; and what the evidence was for his estimate of the number of such companies. [52793]

Mr Prisk: Business Coaching for Growth will use the following criteria for selecting businesses with the potential to achieve high growth rates:

SMEs with 10 or more employees with the potential to increase turnover or employment by an annual average rate of 20% over three years. SMEs with fewer than 10 employees that over three years have the potential to increase employment by at least seven employees or annual turnover by £0.75 million.

Start-ups with potential to achieve turnover of £1m within three years of starting trading, or to have at least 10 employees within three years. Firms or consortia bidding for contracts to deliver Business Coaching for Growth will need to demonstrate, during the tendering process, how they will identify sufficient businesses that meet these criteria.

Analysis of existing government datasets has established that these criteria will capture sufficient numbers of businesses who will benefit from being on the programme and deliver strong growth as a result.

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills what financial provision he has made for contracts for Business Coaching for Growth services; and what assessment he

has made of the comparative value for money of such contracts and those previously provided by regional development agencies. [52794]

Mr Prisk: As set out in the *Official Journal* of the European Union contract notice for Business Coaching for Growth, the value of the contracts is up to £173 million (excluding VAT) until the end of the current spending reviewing period.

The value for money case for Business Coaching for Growth was developed and agreed for the spending review in 2010 and it shows a strong economic return. There is limited evaluation evidence of existing, comparable regional development agencies programmes at this stage.

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills whether he plans to allow venture capital firms to tender for contracts for Business Coaching for Growth services. [52795]

Mr Prisk: An impact assessment on the effects of extending the right to request flexible working to all employees will be published alongside the consultation on these proposals which is due to be launched shortly.

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills whether he plans to set successful outcome targets for firms awarded contracts as service providers for Business Coaching for Growth. [52796]

Mr Prisk: The Memorandum of Information relating to the tender of the Business Coaching for Growth Programme sets out further information on the monitoring and evaluation of contracts and we expect to discuss this further with potential bidders through the procurement of the Business Coaching for Growth contracts. This will ensure the right targets for contractors are in place and as part of this we expect that outcome targets will be in place.

The Department for Business, Innovation and Skills is committed to evaluating the delivery and economic impact of Business Coaching for Growth and providers of the service would be expected to support this process.

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what measure he plans to use to assess progress against each of the measurable benchmarks set out in The Plan for Growth. [53134]

Mr Davey: Measures for the benchmarks set out in the plan for growth are being agreed between the relevant Departments and HM Treasury. HM Treasury and BIS have requested that the data sets that provide a headline measure for each of the benchmarks are contained within departmental business plans. Updated versions of these plans will be published shortly.

Economic Growth: EU Law

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills what criteria he used in the selection of outside bodies to work with his Department on consideration of the effect of EU legislation on growth opportunities. [52790]

Mr Prisk: Four UK companies, Balfour Beatty, GSK, Kingfisher and Tribeka, have agreed to work with Government to help find ways to improve European growth opportunities for UK businesses. The Government decided that a small group was optimal for working quickly and cohesively to identify evidence for how EU laws could be made more growth-friendly for the broader UK economy.

The Government approached companies that trade in more than one EU member state in order to draw on their experience of the implementation and enforcement of EU law across member state borders. Also important to the Government's selection was that there be a range of business sizes and sectors represented so that the evidence gathered could be used for broadest possible affect on the UK economy.

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills what representations he has received from GlaxoSmithKline on the effects of the implementation of EU legislation on growth and investment opportunities. [52791]

Mr Prisk: The Government are working with four companies, Balfour Beatty, GSK, Kingfisher and Tribeka, to find ways to improve European growth opportunities for UK businesses. We will publish these findings in a report by the end of the year.

All four companies will have the opportunity to contribute to the report equally. The Government will focus on evidence that demonstrates where changes to EU law, including its implementation and enforcement, will have a positive impact on the sectors represented by our partners.

Chi Onwurah: To ask the Secretary of State for Business, Innovation and Skills when he expects his Department's consideration of the effect of EU legislation on growth opportunities to be completed; and what plans he has to publish the outcome of that consideration. [52792]

Mr Prisk: The Government, working with their partners, Balfour Beatty, GSK, Kingfisher and Tribeka, will publish their findings on ways to improve growth opportunities for UK business by the end of this year.

Environment Protection: Exports

Zac Goldsmith: To ask the Secretary of State for Business, Innovation and Skills pursuant to the answer of 4 March 2011, *Official Report*, column 715W, on low-carbon products: intellectual property, whether it is his policy to support the compulsory licensing of exports of environmentally-sound technologies to least-developed countries. [53155]

Mr Davey: Under the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) governments are able to issue compulsory licenses on patented technologies. For Least Developed Countries (LDCs) this flexibility may have limited impact because they lack domestic manufacturing capability. Whilst TRIPS has been amended to enable compulsory licensing of pharmaceutical products for export to these countries, there is currently insufficient

evidence that extending this to environmentally sound technologies would bring significant benefits.

Compulsory licensing of pharmaceuticals for export has been used only once to date so it is not clear that this procedure encourages technology transfer. Compulsory licensing is also likely to be a strong disincentive to investment in technology innovation and is unlikely to encourage the transfer of know-how and tacit knowledge which is required to maintain and adapt technologies for local use. By contrast, voluntary licensing arrangements are more likely to foster longer term partnerships and bring about sustainable technology transfer. The UK is committed to providing incentives for business to promote technology transfer to LDCs as required by TRIPS Article 66.2.

EU External Trade: India

Mr Nicholas Brown: To ask the Secretary of State for Business, Innovation and Skills (1) what his policy is on the proposal for data exclusivity for generic drugs in the EU-India Free Trade Agreement; [51031]

(2) what his policy is on the inclusion of the manufacture and sale of generic drugs closely modelled on patented US and European products in the proposed EU-India Free Trade Agreement. [51032]

Mr Davey: The UK policy is to take a case-by-case approach to intellectual property rights within Free Trade Agreements between the European Union and developing countries. The level of intellectual property protection should be tailored to the trading partner's level of development. We stated in the recently published "Trade and Investment for Growth" White Paper that we would seek to ensure that provisions on intellectual property rights in EU free trade agreements did not have negative impacts on the ability of the poorest to access low cost medicines. We would consider any proposals made regarding data exclusivity in the EU-India agreement in the light of the available evidence.

On 13 December 2010 both Indian and EU trade negotiators stated that nothing in the EU-India agreement would limit India's scope for developing and exporting life-saving medicines.

EU Grants and Loans

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills if he will make it his policy to align applications for the second round of the Regional Growth Fund to applications for the European Regional Development Fund; and if he will make a statement. [53227]

Mr Prisk: Officials in this Department and in the European Regional Development Fund (ERDF) teams have worked closely together to align, where practical, the respective funds' bidding processes. Most ERDF programmes will be managing a simultaneous call for proposals to complement the timing of the Regional Growth Fund's second round, with the aim of encouraging applicants to maximise the available public resource. Applicants seeking to access ERDF will however need to comply with the application process and the ERDF specific project selection criteria.

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills with reference to the Plan for Growth, page 65, by what mechanism the Government will play a significant role in deciding which interventions the European Regional Development Fund supports; and if he will make a statement. [53228]

Mr Prisk: The Government wishes to see that the resources of the European Regional Development Fund (ERDF) are fully used to deliver the objectives of the Plan for Growth. To help achieve this we announced in February details on the future management of the ERDF within England. This included the decision to restructure existing Programme Monitoring Committees as Local Management Committees which can ensure that, within the parameters already agreed with the EU, government, local people and businesses can better influence the shape of the ERDF programmes and the projects that they can support, whilst ensuring compliance with EC rules.

We will consider further reforms to the delivery of the ERDF within England during negotiations on the 2014-20 funding period.

Flexible Working

Jack Dromey: To ask the Secretary of State for Business, Innovation and Skills what assessment he has made of the effects of extending the right to request flexible working to parents of children over 18 on (a) small and medium-sized enterprises and (b) larger enterprises. [53587]

Mr Davey: An Impact Assessment on the effects of extending the right to request flexible working to all employees will be published alongside the consultation on these proposals which is due to be launched shortly.

Jack Dromey: To ask the Secretary of State for Business, Innovation and Skills what his timetable is for extending flexible working to all. [53590]

Mr Davey: The "Coalition Agreement: Our Programme for Government" set out the Government's programme for the current Parliament. This committed to extend the right to request flexible working to all employees, consulting with business on how best to do so.

We intend to consult on extending the right to request flexible working to all employees shortly. This extension will require primary legislation so the full timetable will be subject to securing parliamentary time.

Gold

Chris Ruane: To ask the Secretary of State for Business, Innovation and Skills what steps the Office of Fair Trading has taken to investigate practices of gold buying companies. [53694]

Mr Davey: The Office of Fair Trading (OFT) has recently taken enforcement action against a number of companies that offer to buy gold from consumers by post.

Following an OFT investigation, which concluded in February 2011, a number of companies signed undertakings to make changes to their business practices. The

undertakings related to alleged breaches of the Consumer Protection from Unfair Trading Regulations 2008 and the Unfair Terms in Consumer Contracts Regulations 1999.

The OFT investigation raised concerns that the business practices of these companies were not sufficiently transparent and people were being locked into accepting the offer made for their gold. The OFT was particularly concerned with the practice of sending consumers a payment, which if not rejected and returned within restrictive time periods, meant their 'silence' was taken as consent to the payment and their gold melted down. Gold buying companies are under a duty to trade fairly with consumers and should not seek to use unfair terms in their standard contracts with consumers. This enforcement action provided a clear signal to industry on acceptable trading practices in this area.

Graduates

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills whether information will be included in the Key Information Set for students on the number of students from each higher education institute who start their own business or become self-employed after leaving university. [53363]

Mr Willetts: This Government are committed to improving the information available to potential students to support them in making more informed choices on course and university. The Key Information Set (KIS) for each course will comprise the 16 items most requested by students, plus clear information on course costs. This will include information on: graduate salaries; percentage of graduates employed; and percentage in a full-time professional or managerial job.

It is not currently proposed to include statistics on students starting their own businesses or moving into self employment. The Higher Education Funding Council for England consultation document provides further information.

http://www.hefce.ac.uk/pubs/hefce/2010/10_31/

Information on the percentage of graduates who are self employed is collected by the Higher Education Statistics Agency through the Destination of Leavers of Higher Education Survey. Additionally, 2011/12 graduates will be asked whether they are setting up their own business.

Hallmarking

Ms Gisela Stuart: To ask the Secretary of State for Business, Innovation and Skills what discussions he has had with the Birmingham Assay Office on his proposals for the future of hallmarks. [53627]

Mr Willetts: As part of the review of public bodies, the British Hallmarking Council was reviewed in August 2010 and I decided that it should be retained. The Birmingham Assay Office was consulted as part of this process. Hallmarking legislation is among the 21,000 regulations included in the Red Tape Challenge on which the Cabinet Office has invited views.

Higher Education: Access

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what estimate he has made of the average household income in each socio-economic band used by his Department to monitor levels of access to higher education. [53125]

Mr Willetts: This Department has not published estimates of the average household income for each socio-economic group.

Evidence on participation in higher education (HE) by Socio-Economic Status has been published in the Higher Education Statistics Agency (HESA) Performance indicators:

<http://www.hesa.ac.uk/index.php/content/view/2Q72/141/>

and in the Department's Official Release "Full-time young participation by Social Class in 2010 (FYPSEC)":

<http://stats.bis.gov.uk/UKSA/he/sa20100722.htm>

However, neither publication includes estimates of median income for the specified Social Class Groupings as income data cannot be sourced from the HESA dataset.

The Socio-Economic status of students recorded in these publications is derived from the HESA student record and is based on an applicant's parental occupation (or the occupation of the person contributing the highest income to the household if the applicant is aged 21 years or over) and uses a simplified version of the National Statistics Socio-economic Classification (NS-SEC). Socio-economic status data are only available for home (UK domiciled) applicants. The latest figures on young entrants in HE by Socio-Economic Status are shown in the following table.

Young¹ UK-domiciled full-time undergraduate entrants by socio-economic classification, UK Higher Education Institutions, academic years: 2009/10

Socio-economic classification	2009/10
Higher managerial and professional occupations	62,165
Lower managerial and professional occupations	78,780
Intermediate occupations	34,070
Small employers and own account workers	20,885
Lower supervisory and technical occupations	13,590
Semi-routine occupations	29,935
Routine occupations	13,510
Total known	252,930
Missing ²	68,445

¹ Covers entrants aged under 21.

² Covers students whose socio-economic classification was missing, 'Never worked and long-term unemployed' or not classified: not classified includes occupations which were inadequately described, not classifiable or unstated.

Note:

Figures are based on a HESA standard registration population and have been rounded up or down to the nearest live, so components may not sum to totals.

Source:

Higher Education Statistics Agency (MESA) Student Record

Higher Education: Admissions

Charlotte Leslie: To ask the Secretary of State for Business, Innovation and Skills how many and what proportion of children (a) in receipt of and (b) not in receipt of free school meals went on to higher education in each local authority area in each year since 2001. [53820]

Mr Willetts: The table showing the number and percentage of maintained school pupils aged 15 in each local education authority who progressed to higher

education by age 19 in 2005/06, 2006/07 and 2007/08, respectively, will be placed in the Libraries of the House. Figures are not available for earlier years.

These figures have been estimated using matched data from the National Pupil Database, the Higher Education Statistics Agency Student Record and the Learning and Skills Council Individualised Learner Record. Matched higher education data are only available from 2005/06. Figures for 2008/09 will be available in the autumn of 2011.

Higher Education: Reading Berkshire

Mr Rob Wilson: To ask the Secretary of State for Business, Innovation and Skills how many and what proportion of schools in Reading East constituency sent at least one pupil to the University of (a) Oxford and (b) Cambridge in each of the last 13 years. [53144]

Mr Willetts: Information has been supplied by the Universities and Colleges Admissions Service (UCAS) and is in the following table.

Schools in Reading East with applicants accepted to full-time undergraduate courses at Oxford University or University of Cambridge via UCAS

Year of entry	Oxford University		University of Cambridge	
	Number of schools with acceptances	Percentage of schools with acceptances	Number of schools with acceptances	Percentage of schools with acceptances
2001	4	40	5	50
2002	6	67	5	56
2003	5	56	5	56
2004	3	43	6	86
2005	3	33	5	56
2006	6	67	5	56
2007	5	56	5	56
2008	4	44	4	44
2009	5	56	5	56
2010	5	56	4	44

Notes:

1. Schools have been identified as those with a postcode in the Reading East parliamentary constituency. The figures cover schools classed by UCAS as comprehensive, grammar, independent and other secondary schools in England. Other kinds of centres have not contributed to this analysis. Only schools from which UCAS received applications in the cycle concerned have contributed to the proportion calculation. Figures do not account for students accepted to Oxford or Cambridge who applied directly, rather than via UCAS.

2. Detailed data on applications via secondary schools are only available from 2001. Data for earlier years have not been provided as the necessary reference data are not available.

Source:

UCAS

Intellectual Property

Mr Ivan Lewis: To ask the Secretary of State for Business, Innovation and Skills when he expects the intellectual property review by Ian Hargreaves to be published. [53272]

Mr Davey: The Government expect to publish the report of Ian Hargreaves's Review of Intellectual Property and Growth shortly after the end of the election period on 5 May.

Music: Higher Education

Ben Gummer: To ask the Secretary of State for Business, Innovation and Skills whether his Department's Higher Education White Paper will include provision for funding for specialist music institutions. [53264]

Mr Willetts: Colleges of music and conservatoires offer courses which are very popular and so we expect them to be in a strong position to attract fee income in future when most funding will follow the choices of students. Many of these institutions receive additional funding from the Funding Council to account for their small size or specialist nature, which are not recognised through the current mainstream funding formula. Whilst it is for the Funding Council to make decisions on grant allocations the Government will set out its priorities for continuing grant in the forthcoming higher education white paper. It will be our priority that in putting the new funding system in place we do not damage in the process those institutions with a world class reputation for the arts and music.

Power Line Technology Devices

Mark Lancaster: To ask the Secretary of State for Business, Innovation and Skills how many complaints his Department has received in respect of power line technology devices in the last 12 months. [52883]

Mr Prisk: The Department for Business, Innovation and Skills has not received any such complaints. Enforcement powers are delegated to the Office of Communication (Ofcom) where a radio spectrum protection or management issue occurs and it is they who deal with these complaints. Since July 2008 Ofcom has investigated a total of 219 reports of interference related to power line technology, of which only one is still awaiting resolution.

RBS and Lloyds TSB

John Mann: To ask the Secretary of State for Business, Innovation and Skills how many companies have been declared insolvent as a result of insolvency procedures instigated by (a) RBS and (b) Lloyds TSB in each of the last six months. [52918]

Mr Davey: The available information is for company compulsory liquidations in England and Wales only. During the six months from July to December 2010 the number of cases where the insolvency was recorded as instigated by (a) RBS was 11 and by (b) Lloyds TSB was zero (that is, these companies were listed as being a petitioning creditor in the insolvency). These numbers are in the context of 2,277 new compulsory liquidations in total for the same period, and some 290 cases where the petitioner was unknown.

Figures for the last three months (January to March 2011) will not be available until after the headline official statistics have been published. The Quarter 1 2011 Statistical Release will be available from 6 May on the Insolvency Service website:

<http://www.insolvency.gov.uk/otherinformation/statistics/insolvency-statistics.htm>

John Mann: To ask the Secretary of State for Business, Innovation and Skills what discussions he has had with (a) UK Financial Investments Ltd, (b) RBS and (c) Lloyds TSB on the use of insolvency practitioners with business customers. [52945]

Mr Davey: The Secretary of State for Business, Innovation and Skills, my right hon. Friend the Member for Twickenham (Vince Cable), has not had

discussions with UK Financial Investments Ltd., the Royal Bank of Scotland or Lloyds TSB on whether insolvency practitioners should be appointed in respect of business customers.

Regional Development Agencies: Assets

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills pursuant to the answer to the hon. Member for Blackpool South of 7 December 2010, *Official Report*, columns 245-46W, on regional development agencies: assets, what the original purchase price was of each asset owned by the regional development agencies in each (a) region and (b) local enterprise partnership area. [52721]

Mr Prisk: Information on the original purchase price for every regional development agency asset is not available and could only be provided, where it was not commercially sensitive, at disproportionate cost.

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills which regional development agency assets in each (a) region, (b) local authority and (c) local enterprise partnership area are named in bids to the Regional Growth Fund. [52828]

Mr Prisk: The Regional Growth Fund application form did not ask for information on regional development agency assets.

Regional Growth Fund: Sheffield

Mr Betts: To ask the Secretary of State for Business, Innovation and Skills what schemes have been submitted to the regional growth fund from the Sheffield city region; and what the status is of each scheme. [52959]

Mr Prisk: 21 bids were received from Sheffield city region in Round 1 of the Regional Growth Fund. Of these, the bid from Doncaster borough council has been given a conditional offer of funding which is subject to the outcome of the due diligence process.

Research: Finance

Chris Ruane: To ask the Secretary of State for Business, Innovation and Skills how much each (a) funding council and (b) research council paid to each university in each of the last 10 years. [53825]

Mr Willetts: Data from the Higher Education Funding Council for England (HEFCE) can be provided only from financial year 2005-06 and will be placed in the Libraries of the House. Earlier years' data could be provided only at disproportionate cost. The rates of funding are derived from the total HEFCE recurrent teaching grant for universities. Other sources of funding including non-HEFCE grants such as from the Training and Development Agency, Learning and Skills Council, National Health Service etc and fee income are all excluded.

To note, the figures include all payments made via HEFCE, including where they do so on behalf of other organisations. In particular, this includes:

All funding for the Higher Education Innovation Fund (HEIF);

Funding allocations made to English HEIs by the Joint Information Systems Committee (JISC);

Allocations of student support administered by HEFCE on behalf of the Department, such as Access to Learning Funds and student bursaries.

The data are only available from the Research Councils for the period 2004-05 to 2008-09. Earlier years' data could be provided only at disproportionate cost. In this period the Research Councils provided £4,955,295,000 to higher education institutions (HEIs). A full breakdown by HEI, Research Council and year will also be placed in the Libraries of the House.

As higher education is a reserved matter, it is not possible to provide details of the funding provided by the Higher Education Funding Council for Wales and the Scottish Funding Council, or from the Department for Employment and Learning in Northern Ireland.

However, the publically available HESA reports 'Finances of Higher Education Institutions' and 'Resources of HE Institutions' provide data on the income received by all UK institutions from Funding Councils and Research Councils for the last 10 years. Due to accounting methods, this will be marginally different to the payments made from Funding Councils and Research Councils to universities.

Science and Innovation Network

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what his policy is on the future of the Science and Innovation Network; and if he will make a statement. [53128]

Mr Willetts: The joint BIS/FCO Science and Innovation Network (SIN) will continue to play an important role in promoting and supporting UK science internationally. The two Departments will continue to fund SIN direct costs on a 50/50 basis with a flat cash budget. This positive outcome recognises the value of SIN in promoting UK prosperity and growth.

SIN is currently based in UK Diplomatic Missions in 25 countries worldwide. It influences science and innovation policies internationally, to the benefit of the UK through lobbying and the deployment of robust scientific evidence and informs UK policy making by the identification of international best practice. The Network works to bring the best of international science and innovation together with the best in the UK.

SIN works closely with UK Trade and Investment, Research Councils UK, universities and other key bodies in the UK science and innovation community in support of UK prosperity and growth. In order to keep pace with international trends SIN will extend its coverage to include strengthening science and innovation teams in Brazil and Russia and the creation of new teams in the middle east and Africa. At the same time the Government will maintain a strong SIN presence in the highest priority countries.

Small Businesses: Finance

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what information his Department holds on trends in (a) levels of lending and (b) the cost of finance to small and medium-sized enterprises since his appointment. [54058]

Mr Prisk: The Department collects quantitative data on lending and costs of finance to SMEs from the four major lenders. These data are made publicly available and analysed on a quarterly basis by the Bank of England, through its 'Trends in Lending' publication.

More information is available at:

<http://www.bankofengland.co.uk/publications/other/monetary/trendsinlending.htm>

With regard to the cost of finance, the Bank of England also publishes information via its Credit Conditions Survey, the latest of which indicates that spreads over reference rates, and fees and commission have increased slightly for small businesses.

In order to cross-reference this quantitative data, the Department also carries out regular surveys to gauge the needs and concerns of small businesses and identify the barriers that prevent them from fulfilling their potential, including the access to and cost of finance. The results of latest surveys—Annual Small Business Survey 2010 and Business Barometer February 2011—will shortly be available on the Department's website.

Start Up Britain

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills what discussions he has had with the organisers of the Start Up Britain campaign. [53119]

Mr Prisk: The Government supports Start Up Britain, a business-led campaign designed to celebrate, inspire and accelerate enterprise in the UK. The Government joined forces with big business and entrepreneurs to celebrate its launch on 28 March. Before the launch the organisers gave a presentation of their plans to the Cabinet and I met them once. On the day of the launch, both myself and my right hon. Friend the Secretary of State for Business, Innovation and Skills met them again.

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills how he expects Start Up Britain to work with his Department to promote business start-ups in the UK. [53120]

Mr Prisk: The Start Up Britain campaign is an independent private-sector led initiative. The Government welcome this response to their ambition for an enterprise-led recovery, which complements the changes we are making to the way we deliver support to people who want to start and grow their businesses. BIS officials have arranged monthly meetings with the Start up Britain organisers to ensure Government ARE well-sighted on their activities. In addition Start up Britain is represented on a BIS working group looking at enterprise promotion.

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills whether his Department has estimated the average sum which a new business subscribing to Start Up Britain services will be required to pay in order to receive the full introductory discount offered. [53121]

Mr Prisk: The Start Up Britain campaign is an independent, private-sector led initiative which the Government wholeheartedly supports. The organisers have advised that:

‘Over 50 private sector partners have been engaged in Start Up Britain, many of them offering discounts. While some offers require no purchase by the user (for example, free business cards or ad words), others require the user to buy something. For example, they might gain 10% off business insurance. The founders have not calculated the minimum or maximum a business would need to spend to save £1,500 and business people are encouraged to read and evaluate each offer on its own merits.’

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills how many new startup businesses he expects to be established as a result of the information provided through the Start Up Britain website. [53333]

Mr Prisk: The Start Up Britain campaign is an independent, private-sector led initiative. Designed to celebrate, inspire and accelerate enterprise in the UK, it has the full backing of the Government. According to the organisers, the campaign, which was launched on 28 March, aims to reach 250,000 businesses through its activities in its first year, and they will be working on further detailed key performance indicators as part of their plans for 2012. The Start Up Britain website had 108,000 visitors in its first month.

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills what financial contribution his Department has made to the creation and maintenance of the Start Up Britain website since its establishment. [53334]

Mr Prisk: The Start Up Britain website is independently financed and free to access. The Department has made no financial contribution to the creation and maintenance of the website since its establishment.

Students: Fees and Charges

Henry Smith: To ask the Secretary of State for Business, Innovation and Skills whether a foundation degree followed by a BA degree is classed as an end-on course; and whether such courses will be exempt from increases in tuition fees. [53704]

Mr Willetts: Yes, for the purposes of the Education (Student Support) Regulations an “end-on course” is a degree course taken immediately—that is to say without any break other than a vacation—after a foundation degree or other lower level qualification designated for support under those regulations. Students seeking top up qualifications in this way are treated as continuing their studies, and retain the support package and tuition charge arrangements that applied on their initial course.

We will regulate to ensure that the new support and fee charging arrangements to be introduced from 2012/13 do not apply to students taking “end-on courses”. This will be subject to the conditions that the student keeps the same mode of study (principally whether the course is part-time or full-time) in the second course as he or she followed in the initial course and takes the second course immediately after the initial course has completed.

Students: Loans

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what recent estimate he has made of the level of fraud in applications for loans made to the Student Loans Company; and if he will make a statement. [53124]

Mr Willetts: The Student Loans Company (SLC) undertook a study of identity fraud during the financial year 2009-10. This estimated that 1.6% of applications had some element of fraud. The company subsequently introduced new income and identity fraud prevention and detection checks, using a commercial provider to deliver electronic income and identity validation services during the application cycle. This work is linked to checks currently undertaken with HM Revenue and Customs to enable enhanced verification of household income against tax payer returns.

The SLC and NHS Counter Fraud Service have both carried out fraud measurement exercises. The most recent estimates suggest that student finance related fraud, including in relation to NHS bursaries, costs £31 million a year.

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills what estimate he has made of the proportion of successful applicants for student loans for tuition fees in each decile of earnings in the most recent 12 months for which figures are available. [53126]

Mr Willetts: Comprehensive income information is not available for all tuition fee loan borrowers as tuition fee loans are not means-tested. Income details are only held for applicants who have also applied for some form of means-tested support. In addition, income details are not collected from continuing students who have indicated that their income has not changed significantly since the previous year.

Mr Denham: To ask the Secretary of State for Business, Innovation and Skills if he will estimate the likely level of non-repayment of student loans taken out to fund university tuition fees at an average tuition fee of (a) £7,500, (b) £8,000 and (c) £9,000. [53127]

Mr Willetts: The level of repayment of student loans taken out to fund university tuition fees, as well as loan for living costs, will depend on many factors such as: length of course, distribution of average fee, tuition fee loan take-up, maintenance loan take-up, terms of office for fair access agreements and economic growth.

The main factors affecting (non-)repayment are the total debt on leaving higher education coupled with real earnings growth. Given these uncertainties, we estimate that the likely level of non-repayment of student loans

will be around 30% of the total loan amount. The higher average loan amounts will have a slightly higher non-repayment percentage.

Supermarkets: Competition

John McDonnell: To ask the Secretary of State for Business, Innovation and Skills what powers he plans to provide to the proposed groceries code adjudicator; and if he will make a statement. [53029]

Mr Davey: The Groceries Code Adjudicator draft Bill, which will be published shortly, will set out the proposed powers for the groceries code adjudicator.

John McDonnell: To ask the Secretary of State for Business, Innovation and Skills what process will be used for the appointment of the proposed groceries code adjudicator; and if he will make a statement. [53030]

Mr Davey: The proposed groceries code adjudicator will be recruited through fair and open competition in line with Government guidance and good practice.

Tattooing

Mrs Moon: To ask the Secretary of State for Business, Innovation and Skills if he will consider the merits of the regulation of the online sale of DIY tattoo kits; and if he will make a statement. [52773]

Mr Davey: The sale of DIY tattoo kits is covered by the General Product Safety Regulations 2005 (GPSR). These place a general duty on all suppliers/producers of consumer goods to supply products that are safe in normal or reasonably foreseeable use, which includes providing consumers with appropriate warnings and instructions for use (together with sell by dates, age related warnings and other relevant information in the language of the market). Local authorities as the UK market surveillance authorities enforce the GPSR and will be able to take action when they consider an absence of any of these renders a product unsafe, including online sales.

TrustMark

Mr Mark Field: To ask the Secretary of State for Business, Innovation and Skills how many meetings his Department has had with representatives of TrustMark in each of the last five years; and if he will make a statement. [52855]

Mr Prisk: This information is not held centrally and could be provided only at disproportionate cost. However, the Department has regular meetings with representatives of TrustMark.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Animal Welfare: Sustainable Farming

Mr Bain: To ask the Secretary of State for Environment, Food and Rural Affairs what mechanism her Department has established to continue the work

on animal health and welfare previously conducted by the regional sustainable food and farming strategy boards. [52899]

Mr Paice: As announced in my written ministerial statement on 26 April 2011, *Official Report*, columns 3-4WS, we are setting up a new Animal Health and Welfare Board for England to have responsibility for strategic animal health and welfare policy, and oversight of its delivery in relation to England. Groups within the new rural and farming network will, of course, be able to engage with Ministers on local animal health and welfare issues.

Biomass

Graham Stringer: To ask the Secretary of State for Environment, Food and Rural Affairs what her policy is on the forthcoming revision of the 1999 Gothenburg Protocol in relation to black carbon; whether she has made an assessment of the likely effect of any revision on the combustion of biomass in the UK; and if she will make a statement. [53788]

Mr Paice [*holding answer 3 May 2011*]: The forthcoming revision of the UNECE Gothenburg Protocol provides an opportunity to highlight the importance of reducing black carbon as a component of particulate matter (PM) for both health and climate reasons. The proposal for an emissions ceiling for fine particulate matter (PM_{2.5}) in the revised protocol will help to deliver reductions in black carbon out to 2020 while further work is carried out to develop emission inventories, ambient air quality monitoring and improve our understanding of control techniques for black carbon.

To date, no assessment has been made of the likely effect of a revised protocol on the combustion of biomass in the UK. However, emissions from biomass combustion have the potential to adversely impact ambient air quality. Therefore, as announced in the Government's March 2011 document on the renewable heat incentive (RHI), emission limits for particulate matter (PM₁₀) and oxides of nitrogen (NO_x) will be introduced in 2012 for biomass installations below 20MWth as eligibility criteria for RHI support. For further information see:

<http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/policy/renewableheat/1387-renewable-heat-incentive.pdf>

The UK continues to fully participate in Gothenburg Protocol revision negotiations with the aim of agreeing a revised protocol that will continue the overall downward trajectory of air pollutant emissions and bring further environmental benefits across the UNECE region.

Coastal Erosion: Kent

Michael Fallon: To ask the Secretary of State for Environment, Food and Rural Affairs how much will be spent on Kent's coastal defences by the Environment Agency in each of the four years commencing 2011-12. [53669]

Richard Benyon: Total flood defence grant in aid for sea defences in Kent in 2011-12 is £15,019,40. This includes both capital and revenue funding.

Finance for schemes beyond 2011-12 will be determined by the reforms which will be announced in due course following our recent consultation on future funding of flood and coastal erosion risk management in England.

Departmental Manpower

Mary Creagh: To ask the Secretary of State for Environment, Food and Rural Affairs how many (a) actual and (b) full-time equivalent staff have left her Department and its executive agencies since 31 January 2011. [53086]

Richard Benyon [*holding answer 28 April 2011*]: 97 staff, 89 full-time equivalents, left DEFRA and its agencies between 31 January and 31 March 2011.

Mary Creagh: To ask the Secretary of State for Environment, Food and Rural Affairs how many officials in her Department have been appointed on a fixed-term contract for each job title and at each grade since 7 May 2010. [53087]

Richard Benyon [*holding answer 28 April 2011*]: The information provided in the following table covers the period 7 May 2010 to 31 March 2011 and is for the core Department plus agencies.

Grade	Headcount	FTE
AA	2	2.00
AO	9	9.00
EO	5	4.61
HEO	10	10.00
SEO	8	7.92
Grade 7	0	0.00
Grade 6	1	1.00
SCS	2	2.00
Total	37	36.53

Dogs: Tagging

Simon Kirby: To ask the Secretary of State for Environment, Food and Rural Affairs (1) what her policy is on the introduction of compulsory microchipping for dogs; [51495]

(2) what her policy is on the permanent identification of dogs. [51496]

Mr Paice: A proposal for all dogs to be compulsorily microchipped was included in DEFRA's consultation on dangerous dog legislation. DEFRA received 1,875 responses on this issue, of which 84% were in favour and 16% opposed. We are currently working with groups such as the RSPCA to look at a range of issues raised in the consultation, including microchipping.

Elephants: Conservation

Justin Tomlinson: To ask the Secretary of State for Environment, Food and Rural Affairs what recent discussions she has had with her EU counterparts on the adoption of an EU common position on the level of elephant protection provided by the Convention on International Trade in Endangered Species. [53758]

Mr Betts: To ask the Secretary of State for Environment, Food and Rural Affairs what recent discussions she has had with her EU counterparts on the adoption of an EU common position on the level of elephant protection provided by the Convention on International Trade in Endangered Species. [54262]

Richard Benyon: DEFRA officials are playing an active role in working with the European Commission and other member states to agree the strategy to be taken in preparing for, and negotiating at, the Convention on International Trade in Endangered Species Standing Committee, due to be held in Geneva in August, where a range of elephant-related agenda items are expected.

Justin Tomlinson: To ask the Secretary of State for Environment, Food and Rural Affairs what steps she is taking to discourage future legal ivory sales within the Convention on International Trade in Endangered Species framework. [53759]

Mr Betts: To ask the Secretary of State for Environment, Food and Rural Affairs what steps her Department is taking to discourage future legal ivory sales within the Convention on International Trade in Endangered Species framework. [54261]

Richard Benyon: Future ivory sales will only be legal if agreed under a decision making mechanism which, in 2010, the Convention on International Trade in Endangered Species agreed should be produced by 2013. The UK is working with its EU partners to develop a robust line to be taken in future discussions, as well as calling for an early start to the development of a precautionary mechanism. I hope that line can be agreed as soon as possible to signal the precautionary line that the EU intends to take.

Justin Tomlinson: To ask the Secretary of State for Environment, Food and Rural Affairs what reports she has received on the killing of elephants in Chad in March and April 2011; and what support her Department is providing through international organisations to reduce the level of poaching of elephants in Central and West Africa. [53760]

Richard Benyon: No official reports of the apparent killings have been received, but we are liaising with the convention on international trade in endangered species (CITES) 'Monitoring the Illegal Killing of Elephants' programme to assess the accuracy of the stories. The UK as a party to CITES supports its efforts to maintain or enhance countries' enforcement capabilities. In the second half of May, the UK will be participating in a CITES-organised rhino and elephant enforcement taskforce meeting which will exchange intelligence reports and methodologies and develop strategies to tackle the illegal trade in both animals across their ranges.

Justin Tomlinson: To ask the Secretary of State for Environment, Food and Rural Affairs what steps the Government is taking to deter UK tourists from bringing illegal ivory souvenirs into the UK. [53761]

Mr Betts: To ask the Secretary of State for Environment, Food and Rural Affairs what steps her Department is taking to deter UK tourists from bringing illegal ivory souvenirs into the UK. [54260]

Neil Parish: To ask the Secretary of State for Environment, Food and Rural Affairs what steps her Department is taking to deter UK tourists from bringing illegal ivory souvenirs into the UK. [54068]

Richard Benyon: The Directgov website, as well as those for DEFRA and the UK Border Agency, provides advice to travellers on purchasing and importing souvenirs of endangered species. It includes details of items, such as elephant ivory, whose international trade and importation into the UK is prohibited. In addition displays have been placed at major UK airports to inform travellers of the legislative requirements concerning such imports.

EU-Morocco Fisheries Partnership Agreement

Mr Mark Williams: To ask the Secretary of State for Environment, Food and Rural Affairs what assessment she has made of the evidence presented by the European Commission on whether the Saharawi people were consulted on their wishes in relation to the EU-Morocco Fisheries Partnership Agreement. [50326]

Richard Benyon [*holding answer 31 March 2011*]: The European Commission has not presented DEFRA with any information regarding consultation with the Saharawi people on the EU-Morocco Fisheries Partnership Agreement. The Commission has forwarded information which the Moroccan authorities submitted to it on how the EU funds allocated under the Fisheries Partnership Agreement with Morocco have been used. DEFRA is still assessing this information to see how the population of the Western Sahara have benefited.

Food: Supermarkets

Mr Jim Cunningham: To ask the Secretary of State for Environment, Food and Rural Affairs if she will take steps to limit the amount of fresh produce discarded by supermarkets. [54056]

Richard Benyon: Government are working with food manufacturers and retailers via the Courtauld Commitment, a responsibility deal on waste prevention. This includes an ambitious target to reduce traditional grocery product and packaging waste in the supply chain by 5% by the end of 2012 against a 2009 baseline, which covers food that reaches stores but does not get sold.

Courtauld signatories are working with WRAP to identify and implement ways of reducing this waste; we also encourage industry to work with charities such as FareShare to ensure that good food does not go to waste.

Horse Passports

Mr Gray: To ask the Secretary of State for Environment, Food and Rural Affairs if she will assess the likely compliance with EU requirements of a regulation stipulating that horse passports should be voluntary, save that horses presenting at an abattoir should have a document listing recent veterinary medicines administered. [49375]

Mr Paice: We have no plans to make such an assessment. The current EU regulation requires all horses to be issued with a passport.

National Environment White Paper

Miss McIntosh: To ask the Secretary of State for Environment, Food and Rural Affairs for what reason the publication of the (a) National Environment White Paper and (b) Water White Paper has been delayed; and if she will make a statement. [54295]

Richard Benyon: The National Ecosystems Assessment (NEA) will form a key part of the evidence base for the National Environment White Paper. The independent co-chairs of the NEA have, in agreement with all funders, decided that the NEA will be published in June. This will allow key stakeholders to be briefed on the study, for some additional analysis, and for further engagement with the devolved Administrations following their elections. The National Environment White Paper will therefore be published in June 2011, after the NEA, to allow for full inclusion of the evidence it provides.

With regard to the Water White Paper, we have been examining the issues raised in the Walker review of charging for household water and sewerage services to develop a workable policy to support households that face water affordability pressures. We launched a consultation on our proposals on 5 April 2011 and expect to publish the Water White Paper in the autumn, once we have considered the issues raised in the consultation.

Nature Conservation: EU Law

Zac Goldsmith: To ask the Secretary of State for Environment, Food and Rural Affairs what projects in the UK have received funding from the EU Life+ programme. [54268]

Richard Benyon: LIFE+ currently funds 18 projects in the UK, information on which is provided in the following table. Further details of these projects can be found in a database on the European Commission's LIFE website.

<i>Project title</i>	<i>UK coordinator</i>	<i>Project duration</i>	<i>Total project costs (€)</i>	<i>EC co-financing (€)</i>
Eco-animation: a cutting edge cartoon to raise awareness on climate change and sustainable use of natural resources among European children.	Business Solutions Europa Ltd	1 January 2009 to 31 March 2011	541,092	258,371
Anglesey and Llyn Fens: Restoring alkaline and calcareous fens within the Corsydd Mon a Llyn SACs in Wales.	Countryside Council for Wales	1 February 2009 to 31 December 2013	5,401,793	2,678,560
Regional environmental networks for energy and water.	Energy Savings Trust	1 January 2009 to 31 December 2011	1,941,702	970,850
European Pathway to Zero Waste: Demonstrating the route to zero waste to landfill via end waste protocols and building a recycling society.	Environment Agency	1 January 2010 to 31 December 2012	3,832,835	1,916,418

<i>Project title</i>	<i>UK coordinator</i>	<i>Project duration</i>	<i>Total project costs (€)</i>	<i>EC co-financing (€)</i>
Restore Rivers: Engaging, supporting and transferring knowledge for restoration in Europe.	Environment Agency	1 September 2010 to 30 September 2013	1,794,567	872,753
Improving guidance on regulations for enterprise and the environment.	Environment Agency	1 November 2010 to 31 October 2013	5,272,074	2,597,037
Electronic duty of care.	Environment Agency	10 January 2011 to 18 December 2014	4,176,500	2,088,250
Green roofs against climate change. To establish a green roof code to support climate change mitigation and adaptation.	Groundwork Sheffield	1 January 2009 to 31 December 2011	914,213	454,905
Hydro4Life: Hydropower sustainability assessment protocol: EU assessments, monitoring, capacity development and outreach.	International Association	Hydropower 1 September 2010 to 1 September 2013	1,283,637	641,818
The Aide-Ore Estuary: Securing a sustainable future for wildlife.	National Trust	1 April 2010 to 31 March 2014	1,066,290	533,145
MoorLIFE: Active blanket bog restoration in the South Pennine Moors.	Peak District National Park Authority	1 April 2010 to 30 April 2015	6,690,856	5,018,142
Reach for Polymers: Innovative instruments and methodologies to provide the European polymer industry with a solid technical background in support of REACH.	Rapra Ltd	1 January 2010 to 30 June 2012	893,260	446,130
Tackling climate change related threats to an important coastal SPA in Eastern England.	RSPB	1 January 2009 to 31 December 2012	2,009,660	1,004,830
Promoting the importance of the EU Birds Directive in conservation management on farmland.	RSPB	1 January 2010 to 31 December 2012	1,692,547	846,273
Scottish Machair: Conserving machair habitats and species in a suite of Scottish Natura sites.	RSPB	1 January 2010 to 31 December 2013	2,735,031	1,367,515
Reintroducing the great bustard Otis tarda to Southern England.	RSPB	1 September 2010 to 31 August 2015	2,182,175	1,636,631
Partnerships involving stakeholders in the Celtic Sea ecosystem.	WWF-UK	1 July 2009 to 30 June 2012	2,103,888	1,022,753
Ifon Special Area of Conservation Project.	Wye and Usk Foundation	1 January 2010 to 15 September 2013	1,626,458	813,299

Rivers: Lancashire

Andrew Stephenson: To ask the Secretary of State for Environment, Food and Rural Affairs if she will estimate the proportion of rivers in Lancashire that are free for use as thoroughfares for canoeists and other river users. [50974]

Richard Benyon: It is estimated that about 4.4% of rivers in Lancashire have formal access for canoeing. This information is the best of our knowledge from research carried out by the University of Brighton in 2009-10 on behalf of the Environment Agency. It does not distinguish between stretches of river which may or may not be navigable for canoeists.

Salmon: Farms

Mr Bain: To ask the Secretary of State for Environment, Food and Rural Affairs what requirements her Department has put in place in respect of the frequency of reporting of levels of sea lice infestation by salmon farms. [52900]

Richard Benyon: Salmon farming is a devolved matter for the Scottish Government. As there is no saltwater farming of salmon in England, there are no requirements to monitor, or report, sea lice levels at such sites.

Sustainable Farming

Mr Bain: To ask the Secretary of State for Environment, Food and Rural Affairs what mechanisms exist for her Department to obtain independent advice about rural issues in the English regions following the winding up of the sustainable food and farming strategy boards. [52898]

Mr Paice: I recently announced our proposals for a network of new non-statutory groups representing rural interests, to give advice directly to Ministers on farming, food and rural issues. The groups will provide a direct line of communication to provide DEFRA Ministers with information and concerns from local rural and farming communities. We are calling for people from farming, food and rural affairs backgrounds to volunteer to be part of the local networks. Further information on the new network can be obtained from:

<http://www.rdpnetwork.org.uk/news-and-publications/network-news/rural-and-farming-network>

Sustainable Food and Farming Strategy

Mr Bain: To ask the Secretary of State for Environment, Food and Rural Affairs what arrangements are in place for implementation of policies across the land-based sector following the abolition of the Sustainable Food and Farming Strategy. [52707]

Mr Paice: The new framework for delivery of DEFRA policies is set out in the Department's business plan. This includes the vision, priorities, actions and information strategy. The three key priority areas outlined in the plan are to:

Support British farming and encourage sustainable food production.

Enhance the environment and biodiversity to improve quality of life.

Support a strong and sustainable green economy, resilient to climate change.

Policies relating to the land-based sector will contribute to the implementation of all three priorities.

Mr Bain: To ask the Secretary of State for Environment, Food and Rural Affairs what meetings she held with the Sustainable Food and Farming Strategy regional chairman before taking the decision to abolish the Sustainable Food and Farming Strategy.

[52708]

Mr Paice: The Sustainable Food and Farming Strategy Regional Groups were funded until the end of March this year. Their chairmen met with senior DEFRA officials in February to discuss how they could contribute to developing new arrangements, under a Big Society approach, for self-supporting local groups that will be able to give advice directly to Ministers on farming, food and rural issues.

DEPUTY PRIME MINISTER

Accountability: Police

Sadiq Khan: To ask the Deputy Prime Minister what meetings he has had with the Secretary of State for the Home Department to discuss the regulation of elections for directly-elected police and crime commissioners under the provisions of the Police Reform and Social Responsibility Bill.

[53232]

Mr Harper: My officials have been working closely with their counterparts at the Home Department on the provisions which will be required in the Police Reform and Social Responsibility Bill and accompanying legislation to allow for the conduct and regulation of elections for directly-elected police and crime commissioners. This work is designed to ensure that a consistent approach is taken for the regulation and conduct of statutory elections across the UK.

Mayors

Sadiq Khan: To ask the Deputy Prime Minister what meetings he has had with the Secretary of State for Communities and Local Government to discuss the regulation of referendums for directly-elected mayors under the provisions of the Localism Bill.

[53233]

Mr Harper: My officials are in regular contact with their counterparts at the Department for Communities and Local Government on the provisions which will be required in the Localism Bill and accompanying legislation to allow for the conduct and regulation of referendums for directly-elected mayors. This communication is designed to ensure that a consistent approach is taken for the regulation and conduct of statutory elections and referendums across the UK.

CABINET OFFICE

Charitable Donations

Chris Ruane: To ask the Minister for the Cabinet Office pursuant to the answer of 7 March 2011, *Official Report*, columns 871-2W, on voluntary organisations, how his Department plans to measure the effectiveness of its initiative to increase levels of giving.

[52503]

Mr Hurd: Cabinet Office programmes aimed at increasing levels of giving are currently being developed, and consideration will be given on how to measure effectiveness

of these programmes. The Cabinet Office will also continue to draw on independent analysis from external resources for information on trends in giving.

Charities: Kent

Tracey Crouch: To ask the Minister for the Cabinet Office how many organisations have (a) applied for and (b) been awarded an allocation from the Transition Fund in (i) Chatham and Aylesford constituency, (ii) Medway constituency, (iii) Tonbridge and Malling constituency and (iv) Kent.

[52412]

Mr Hurd: There were no applications to the Transition Fund from Chatham and Aylesford or Medway. Two applications were received from organisations in Tonbridge and Malling. Of these one organisation has already received an award and the other has received an offer. There were 24 applications from organisations in Kent. Of these, two of have been awarded grants and 11 have received an offer.

Departmental Stationery

Luciana Berger: To ask the Minister for the Cabinet Office what proportion of paper and office supplies used in 10 Downing street were from (a) renewable, (b) recycled or (c) sustainable sources in the latest period for which figures are available.

[51705]

Mr Maude: The Prime Minister's Office is an integral part of the Cabinet Office, and the answer provided is therefore for the whole of the Cabinet Office.

In line with Cabinet Office policy, all paper purchased for use in multi-function devices and printers is 100% recycled. During the period January 2011 to March 2011, 15.3% of spend on all other office supplies purchased by the Cabinet Office, including pens, rulers and staplers, was defined as being 'sustainable'. During the same period last year 14.15% of office supplies purchased by the Cabinet Office was defined as being 'sustainable'.

Low Pay

Mr Andrew Smith: To ask the Minister for the Cabinet Office how many (a) women and (b) men had earnings below the lower earnings limit in each of the last five years.

[53842]

Mr Hurd: The information requested falls within the responsibility of the UK Statistics Authority. I have asked the authority to reply.

Letter from Stephen Penneck, dated April 2011:

As Director General for the Office for National Statistics, I have been asked to reply to your recent Parliamentary Question asking how many (a) women and (b) men had earnings below the lower earnings limit in each year of the last five years. (53842)

Levels of earnings are estimated from the Annual Survey of Hours and Earnings (ASHE), and are provided for all employees on adult rates of pay, whose pay for the survey period was not affected by absence. ASHE methodology cannot be used to provide estimates of the numbers of employees whose earnings is less than a specific amount, but can be used to provide estimates of percentage of employees in that category. Estimates are for single jobs and not for total employment earnings.

The ASHE, carried out in April each year, is the most comprehensive source of earnings information in the United Kingdom. It is a sample of all employees who are members of pay-as-you-earn (PAYE) schemes.

I attach a table showing the percentage of female and male UK employees earning below the lower earnings limit for the years 2006-2010.

Percentage of United Kingdom employee jobs¹ earning below the lower earnings limit

	Lower earnings limit (£ per week)	All employees		Full-time employees		Part-time employees	
		Male	Female	Male	Female	Male	Female
2006	84	3.2	10.0	<0.1	<0.1	28.4	24.0
2007	87	3.1	9.9	<0.1	<0.1	27.3	23.5
2008	90	3.3	10.2	<0.1	<0.1	28.0	24.4
2009	95	3.6	10.5	<0.1	<0.1	29.0	24.8
2010	97	3.9	10.6	<0.1	<0.1	30.2	24.9

¹ Employees on adult rates whose pay for the survey pay-period was not affected by absence. As at April each year.

Source:

Annual Survey of Hours and Earnings, Office for National Statistics.

Public Data Corporation

Mark Pawsey: To ask the Minister for the Cabinet Office when he expects the proposed Public Data Corporation to be established; and if he will make a statement. [54252]

Mr Maude: We are continuing to work on proposals for a Public Data Corporation which achieve all the objectives which were initially set out on 12 January 2011 and then updated at Budget. Our intent remains to put in place a coherent data policy framework by autumn 2011. We are also considering the merits of machinery of government changes to facilitate the development of a Public Data Corporation (PDC) through a sponsoring department and the subsequent establishment of a PDC Shadow Board.

Mark Pawsey: To ask the Minister for the Cabinet Office which (a) Government organisations, (b) datasets and (c) licensing arrangements he expects to come within the remit of the proposed Public Data Corporation. [54253]

Mr Maude: There are many organisations in the public sector which hold and manage information. Not all organisations holding significant public sector information will be suitable for inclusion within the Public Data Corporation. Important considerations will be how and to what extent the information is made available to its customers (other parts of Government, businesses and citizens), and whether products and services form part of the organisation's 'public task' or whether they are a by product in the organisation's business model. Final decisions on inclusion of bodies and datasets will be taken in light of this work. Until decisions are taken it would be premature to announce which bodies may be involved.

While the majority of public sector information will be available under the Open Government License (OGL), there are some instances where this is not possible e.g. where third party intellectual property rights are present, or where charges are required to ensure the sustainability and quality of the data. Work over the coming months will focus on harmonising and simplifying licensing arrangements that can be used as a basis for licensing where the OGL is not appropriate.

Mark Pawsey: To ask the Minister for the Cabinet Office what the (a) remit and (b) activities will be of the proposed Public Data Corporation. [54254]

Mr Maude: This initiative is about bringing together some of our most valuable public sector information and the organisations that collect, hold and manage that information, in order to deliver multiple benefits to the public, business, the public purse, and government.

The individual organisations that are taken within the Public Data Corporation will continue to carry out their current functions, eg collecting and maintaining data, producing information, providing value-added services. What the Public Data Corporation offers is the opportunity to create a centre of excellence for the collecting, holding and managing of different organisations' data. Other benefits include:

Adopting a more consistent approach towards access to and accessibility of public sector information;

creating more opportunities for citizens, social enterprises and businesses to use public sector data in new and innovative ways;

identifying how data Government already hold can be used more effectively to provide better and cheaper public services; and

creating more certainty and predictability—encouraging businesses to invest in and develop new and innovative products and applications based on data. It will also provide opportunities for private investment in the corporation, reinforcing and accelerating the development of these world class assets and their contribution to the knowledge economy.

Third Sector: Finance

Catherine McKinnell: To ask the Minister for the Cabinet Office what steps the Office for Civil Society is taking to prevent any disproportionate negative effects on black and minority ethnic organisations in the selection of its strategic partners. [52982]

Mr Hurd: The Office for Civil Society's (OCS's) Strategic Partners are required to fully represent black and minority ethnic organisations.

JUSTICE

First Tier Tax Tribunal

Mr Umunna: To ask the Secretary of State for Justice how many cases went to the first tier tax tribunal or its predecessor in each year from 2005 to 2010; and what the outcome of the tribunal process was in those cases. [52904]

Mr Djanogly: The First-tier Tax Chamber was created in April 2009. Prior to that date, tax appeals were heard by the VAT and Duties Tribunal, the Special Commissioners of Income Tax and the General Commissioners of Income Tax. The number of appeals received by the VAT and Duties Tribunal and the Special Commissioners of Income Tax from 2004-05 is in the following table:

Financial year	Tax appeal receipts	
	VAT and duties	Special Commissioners of Income Tax
2004-05	3,900	210
2005-06	2,700	490
2006-07	3,500	300
2007-08	3,900	260

Tax appeal receipts

Financial year	VAT and duties	Special Commissioners of Income Tax
2008-09	5,400	420

Source:

Annual Statistics for Tribunals Service (numbers rounded)

No central data was collected by Government on the number of appeals dealt with by the General Commissioners of Income Tax. As part of the preparations for the implementation of the First-tier Tribunal (Tax Chamber), data was collated and agreed by Her Majesty's Revenue and Customs and the Tribunals Service for the year 2006-07. During that year, it was estimated that 9,500 cases were heard before the General Commissioners. No other data are available for the years prior to April 2009.

Receipts by the First-tier Tribunal (Tax Chamber) since 2009 are given in the following table:

Financial year	Receipts
2009-10	10,400
2010-11 ¹	9,000

¹ First three quarters' data from quarterly statistics publication; fourth quarter is provisional pending quarter 4 publication

The tribunal's database does not have the facility to extract the outcome of appeals. This information could be provided only at a disproportionate cost by checking individual records of all appeals.

Courts: Closures

Kelvin Hopkins: To ask the Secretary of State for Justice whether he has carried out an equality impact assessment of the effect of proposed court closures on (a) women and (b) children under 16 years. [53763]

Mr Djanogly: Equality impact assessments were produced to accompany the consultation response papers on the provision of court services in each of the former HM Courts Service Areas. The response papers, impact assessments and equality impact assessments are available on the Ministry of Justice website at:

<http://www.justice.gov.uk/consultations/consultations-closed-with-response.htm>

Kelvin Hopkins: To ask the Secretary of State for Justice what assessment he has made of the effect of court closures on the time taken to (a) initiate and (b) complete in care proceedings in England and Wales. [53765]

Table 1: Number of persons found guilty at all courts for speeding offences in Suffolk police force area, from 1997 to 2009^{1,2,3}

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Found guilty	990	1,380	1,581	1,166	1,184	1,239	734	1,775	3,156	2,965	3,300	3,595	3,499

Offence class 816

¹ The statistics relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences the principal offence is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

² Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

³ Offences under the Road Traffic Regulation Act 1984 and the Motor Vehicles (Speed Limits on Motorways) Regulations 1973.

Source:

Justice Statistics Analytical Services—Ministry of Justice

Mr Djanogly: The impact assessments accompanying the consultation response papers assume that court estate rationalisation does not impact on service delivery. As the volume of work is not expected to rise or fall as a result of estate rationalisation and there is sufficient capacity at recipient courts to undertake work from closing courts, it is not anticipated that timeliness of care proceedings will be significantly affected.

The majority of courts that will close are generally the smallest magistrates courts, which will have very low volumes, if any, of family business. HM Courts and Tribunals Service will carefully manage the transfer of workload and administration using the detailed implementation plans that are being developed for each court that is closed.

Crime

Mr Ruffley: To ask the Secretary of State for Justice how many (a) convictions, (b) cautions and (c) fixed penalty notices there have been in respect of people arrested for speeding offences in Suffolk (i) in total and (ii) on (A) the A143 and (B) the A14 in each year since 1997. [53458]

Mr Blunt: The number of persons found guilty at all courts for speeding offences in Suffolk police force area for the years 1997 to 2009 (latest available) is in table 1.

Cautions for motoring are not collated centrally.

Court proceedings data for 2010 will be available on 26 May 2011.

It is not possible to identify from data collated centrally by the Ministry of Justice those convictions or cautions which occurred in the A143 or A14. This information will only be held on individual court file records.

Arrests data are held by the Home Office who provided the following information:

Data on arrests are published in chapter one of the annual Home Office Statistical Bulletin Police Powers and Procedures. Arrests data collected are not broken down beyond offence groups such as "violence against the person" or "sexual offences" and specific offences such as speeding offences are unavailable.

Data on the number of Fixed Penalty notices issued for the offence of speeding in Suffolk police force area for the years 1997 to 2009 is in table 2.

It is not possible from data held by the Home office to identify those fixed penalty notices that have arisen as a result of an arrest. Neither is it possible to identify those fixed penalty notices which occurred in the A143 or A14 area as this information is not held centrally, and will only be held on police file records.

Table 2 The number of Fixed Penalty notices issued for the offence of speeding in Suffolk police force area for the years 1997 to 2009

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fixed Penalty Notice	7,271	12,640	18,088	12,596	12,416	9,477	16,606	40,847	40,029	34,442	30,378	34,678	42,055

Source:

Police Personnel, Powers and Procedures, Home Office

Crime: Nature Conservation

Mr Ruffley: To ask the Secretary of State for Justice how many convictions there were for offences under wildlife protection legislation in each criminal justice area in the most recent year for which figures are available.

[53497]

Mr Blunt: The number of defendants found guilty at all courts for wildlife related offences, by police force area in England and Wales, 2009 (latest available) is shown in the following table.

Court proceedings data for 2010 are planned for publication on 26 May 2011.

Number of defendants found guilty at all courts for wildlife related offences, by police force area 2009^{1,2,3}

Police force area	Wildlife and Countryside Act 1981 ⁴	Protection of Badgers Act 1992	Deer Act 1991	Control of Trade in Endangered (Enforcement) Species Regulation 1997	Conservation of Seals Act 1970	Wild Mammals (Protection) Act 1996
Avon and Somerset	—	—	—	—	—	—
Bedfordshire	—	—	—	—	—	1
Cambridgeshire	1	—	—	—	—	—
Cheshire	2	5	—	1	—	—
City of London	—	—	—	—	—	—
Cleveland	—	—	—	—	—	—
Cumbria	2	—	—	—	—	—
Derbyshire	—	—	—	—	—	—
Devon and Cornwall	3	2	1	—	—	—
Dorset	1	—	—	—	—	—
Durham	—	—	—	—	—	—
Essex	1	1	—	—	7	—
Gloucestershire	—	1	—	—	—	—
Greater Manchester	1	—	—	—	1	—
Hampshire	—	1	—	—	—	—
Hertfordshire	—	1	—	—	—	—
Humberside	—	—	—	—	—	—
Kent	—	—	—	—	—	—
Lancashire	—	1	—	—	—	—
Leicestershire	2	—	—	—	—	—
Lincolnshire	1	—	—	—	—	1
Merseyside	1	1	—	—	—	1
Metropolitan Police	2	—	—	—	—	—
Norfolk	—	—	—	—	—	—
North Yorkshire	2	—	—	—	—	—
Northamptonshire	—	—	—	—	—	—
Northumbria	2	—	—	—	4	—
Nottinghamshire	1	2	—	—	—	—
South Yorkshire	1	—	—	—	—	—
Staffordshire	—	—	—	—	—	—
Suffolk	1	3	1	—	—	—
Surrey	—	—	—	1	1	—
Sussex	—	—	—	—	—	1
Thames Valley	1	—	—	—	—	—
Warwickshire	—	—	—	—	—	—
West Mercia	2	2	—	1	—	—
West Midlands	—	1	—	—	—	1
West Yorkshire	3	—	—	—	1	—
Wiltshire	—	—	—	—	—	—
Dyfed-Powys	1	—	—	—	—	—
Gwent	1	—	—	—	—	—
North Wales	1	1	—	—	—	—
South Wales	—	8	—	—	1	—

Number of defendants found guilty at all courts for wildlife related offences, by police force area 2009^{1,2,3}

Police force area	Wildlife and Countryside Act 1981 ⁴	Protection of Badgers Act 1992	Deer Act 1991	Control of Trade in Endangered Species Regulation (Enforcement) 1997	Conservation of Seals Act 1970	Wild Mammals (Protection) Act 1996
England and Wales	33	30	2	3	15	5

¹ The figures given in the table on court proceedings relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences it is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

² Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

³ Only those forces are shown where data have been reported.

⁴ Excludes offence "Protection of wild plants" as it forms part of a miscellaneous code which cannot be identified separately.

Source:

Justice Statistics Analytical Services—Ministry of Justice.

Departmental Buildings

Luciana Berger: To ask the Secretary of State for Justice what the (a) name and (b) address is of each building owned by his Department; and what the estimated monetary value is of each such building.

[53808]

Mr Blunt: The Ministry of Justice estate occupies around 2,140 properties as of September 2010, the most recent period for which we have verified data. This consists of freehold, leasehold premises and other holdings used under a memorandum of terms of occupancy. To disaggregate this figure and to give the name and address for each freehold property would incur disproportionate cost. However, this information will be updated and available on the Cabinet Office website in the near future.

The total number of properties occupied consists of:

135 prisons;

624 courts;

680 probation premises;

49 tribunal premises;

189 other administrative buildings;

approximately 270 residential premises (prison officer accommodation, judges lodgings, etc.); and

approximately 200 other properties (car parks, storage, etc).

The market value of assets is commercially confidential.

Departmental Work Experience

Chi Onwurah: To ask the Secretary of State for Justice what advice his Department provides to those wishing to (a) work as an intern, (b) undertake a work experience placement and (c) work as a volunteer in his Department.

[52815]

Mr Djanogly: The Department does not currently run a scheme to offer work experience placement and internships to students so there is no published guidance available on this.

Advice and guidance for people wishing to volunteer within the field of justice is provided on DirectGov. This includes information on opportunities such as becoming a magistrate, supporting victims and witnesses of crime, and working with young offenders.

John Mann: To ask the Secretary of State for Justice how many students from (a) the UK and (b) Bassetlaw constituency have been offered internships in his Department since 8 May 2010.

[53212]

Mr Djanogly: Five UK students were offered placements through the Cabinet Office Summer Development Programme in 2010. None of these were from Bassetlaw constituency. No other internships have been offered to (a) students from the UK and (b) Bassetlaw constituency since 8 May, 2010.

Driving Offences

Mr Ruffley: To ask the Secretary of State for Justice how many drivers convicted of driving when under the influence of alcohol or drugs in each police authority area in the East of England in each year since 2009 had previous convictions for the same offence.

[53377]

Mr Blunt: The figures requested are provided in the table, for offenders sentenced in 2009. The figures are on the same basis and from the same data set used for Table 6.4 of 'Sentencing Statistics, England and Wales, 2009' which can be found at:

<http://www.justice.gov.uk/publications/sentencingannual.htm> and equivalent criminal history statistics for 2010 will be published on 26 May 2011.

Offenders sentenced in 2009 in the East of England for driving under the influence of alcohol or drugs¹ and the number with a previous conviction or caution for an offence of this kind by police force area

	Number of offenders convicted and sentenced for driving under the influence of alcohol or drugs	Number of these offenders with a previous conviction or caution for an offence of this kind	Percentage of these offenders with a previous conviction or caution for an offence of this kind
Bedfordshire	697	177	25.4
Cambridgeshire	857	174	20.3
Essex	2,281	545	23.9
Hertfordshire	1,470	340	23.1
Norfolk	854	228	26.7
Suffolk	769	156	20.3

1. Including offences of failing to provide a specimen of blood or breath

2. The figures relate to occasions when an offender was sentenced in 2009 when the primary offence related to driving under the influence of drink or drugs, and to the number of these offenders who at that time had at least one previous conviction or caution for one of these offences.

These figures have been drawn from the police's administrative IT system, the police national computer (PNC), which, as with any large scale recording system, is subject to possible errors with data entry and processing. The figures are provisional and subject to change as more information is recorded by the police.

Employment and Support Allowance: Appeals

Duncan Hames: To ask the Secretary of State for Justice (1) how many Employment and Support Allowance appeals were adjourned in each year since October 2008; what proportion of the total number of appeals this represented for each year since October 2008; and how many of these adjourned appeals in

each year since October 2008 were classified in each category; [53591]

(2) what definitions the Tribunals Service uses of data relating to the adjournment of hearings for Employment and Support Allowance appeals that are (a) Tribunal not ready to proceed, (b) Admin not ready to proceed, (c) Applicant not ready to proceed and, (d) First tier agency not ready to proceed. [53592]

Mr Djanogly: The number of employment and support allowance (ESA) appeals received and adjourned in each year since October 2008, together with a breakdown of the adjourned appeals by category is set out in the following two tables:

	Number of ESA appeals adjourned ¹		
	October 2008-March 2009 ²	April 2009-March 2010	April 2010-February 2011 ³
Number of ESA appeals received ⁴	1,320	127,000	178,000
Number of ESA appeals listed for hearing	33	63,400	138,000
Number of ESA appeals adjourned ⁵	6	8,100	16,900
Percentage of appeals received to appeals adjourned	0.5	6.4	9.5
Percentage of appeals listed to appeals adjourned	18.1	12.8	12.2

	Adjournment reasons as recorded at hearing ⁶		
	October 2008-March 2009 ⁷	April 2009-March 2010	April 2010-February 2011
Tribunal not ready to proceed	4	5,100	11,000
Administrators not ready to proceed	2	440	850
Applicant not ready to proceed	0	2,500	4,700
First tier agency not ready to proceed	0	90	360

¹ This case data has been rounded to the nearest 10 or 100 with the exception of the 2008-9 data when the numbers are too low for this rounding protocol to apply.

² The first ESA appeals were received by Tribunal Service (TS) in January 2009.

³ SSCS data has been published to 28 February 2011.

⁴ This is all ESA appeals received by TS in the period. They will not all proceed to a hearing.

⁵ This is all the case hearings adjourned in the period. A case may be adjourned more than once.

⁶ The adjournment reason is determined by the Tribunal judge adjourning the case hearing.

⁷ The first ESA appeals were received by TS in January 2009.

There are four adjournment categories used in SSCS appeal tribunals and the adjourning judge determines the most appropriate adjournment category for the case being dealt with (cases can be adjourned for more than one reason). The four categories, together with some examples of the circumstances under which these categories may be used, are as follows:

Tribunal not ready to proceed

Where the tribunal requires additional evidence.

Where an applicant was known to a tribunal panel member.

Administrators not ready to proceed

Failure by administrative staff to provide sufficient notice of the appeal hearing.

Failure to observe a previous direction given by a judge.

Arrangement of incorrect panel composition.

Applicant not ready to proceed

Where the applicant requests more time to submit evidence or appoint a representative.

The applicant is unable, due to medical or other reasons, to continue with the hearing.

First-tier agency not ready to proceed

The submission from the agency is incomplete/defective or illegible.

The agency may seek more time to consider evidence handed in on the day.

Judiciary

Andrew Bingham: To ask the Secretary of State for Justice what the average cost to the public purse was of a case heard by (a) a magistrate and (b) a district judge in the latest period for which figures are available.

[53043]

Mr Djanogly: Based on a simple analysis of the number of criminal cases completed and the related judicial sitting hours for magistrates courts in 2009-10, the average court costs for cases heard by a bench of magistrates or a district judge are £132 and £196 respectively. Costs comprise all judicial and administrative costs directly incurred by magistrates courts, but, inter alia, exclude area and central overheads.

It has not been possible to evaluate meaningful statistics relating to average costs for the Legal Service Commission, Crown Prosecution Services and other public sector prosecution costs associated with magistrates courts' cases. Therefore the costs provided above relate entirely to direct HM Courts Service operational costs only.

The Ministry of Justice has commissioned independent research to consider variations in the approaches of magistrates and district judges dealing with criminal cases in magistrates courts. The outcome of the research

will strengthen the evidence base and better inform policy decisions relating to the deployment of judicial resource across magistrates courts in England and Wales.

Legal Aid

Karl McCartney: To ask the Secretary of State for Justice how many applications for legal aid from residents in Lincoln constituency were granted in each of the last five years. [53284]

Mr Djanogly: The Legal Services Commission (LSC) is currently collating its data relating to Lincoln constituency. I will write to the hon. Member once the information has been verified and place a copy in the Library of the House.

Kate Green: To ask the Secretary of State for Justice what consideration he has given to the retention of legal aid in private family law proceedings for parties assessed as unsuitable for mediation where the issue of domestic violence does not arise. [52776]

Mr Djanogly: The Government, in their consultation paper 'Proposals for the reform of Legal Aid in England and Wales', set out their proposals to remove legal aid for private family law cases, except where domestic violence is present, or for a child who has been made a party to the proceedings, or for international child abduction cases. The consultation closed on 14 February. A number of responses raised the issue of other cases that might be unsuitable for mediation. We are considering all the responses, and expect to publish the Government's response to consultation shortly.

Karl McCartney: To ask the Secretary of State for Justice what assessment he has made of the likely effects on law firms specialising in clinical negligence cases of his planned reduction in the legal aid budget. [53216]

Mr Djanogly: Both impact assessments and equality impact assessments were published alongside the consultation paper. These detail anticipated impacts on both providers and users of legally aided services. Revised assessments will be published alongside the Government's response to consultation.

Karl McCartney: To ask the Secretary of State for Justice what plans he has for the funding of disbursements in (a) clinical negligence, (b) family law and (c) child care cases after such cases are withdrawn from the scope of legal aid. [53217]

Mr Djanogly: As announced in 'Reforming Civil Litigation Funding and Costs in England and Wales—Implementation of Lord Justice Jackson's Recommendations: The Government Response' (Cm 8041, March 2011), the Government intend to permit the recoverability of after the event insurance premiums limited to the costs of expert reports in clinical negligence claims. The details will be set out in regulations in due course.

The consultation paper 'Proposals for the reform of Legal Aid in England and Wales', included proposals to withdraw legal aid from clinical negligence and private law family proceedings, but to retain legal aid for public

law family proceedings (such as care and supervision proceedings). The Government are currently considering responses to the consultation, and expect to publish their response shortly. Where the Government decide to remove legal aid for certain types of proceedings, this will include removing funding for disbursements.

Legal Aid: Lone Parents

Kate Green: To ask the Secretary of State for Justice what information his Department holds on (a) the number and proportion of recipients of legal aid who are single parents and (b) the matters in respect of which single parents receive legal aid. [52679]

Mr Djanogly: Neither my Department nor the Legal Services Commission holds data on whether applicants for legal aid are single parents.

Long Term Prisoners

Philip Davies: To ask the Secretary of State for Justice what recent estimate has been made of the average length of time served by people sentenced to a life term in prison. [53004]

Mr Blunt: The following table taken from Offender Management annual table A3.5 published 28 April 2011:

<http://www.justice.gov.uk/publications/statistics-and-data/prisons-and-probation/oms-quarterly.htm>

shows the number of life sentenced prisoners first released during 2010, and their average time served at the point of first release. The average time served by mandatory lifers has increased considerably from around nine years in the late 1970s to 16 years in 2010.

	<i>Number released</i>	<i>Average time served (years)</i>
Mandatory lifers	115	16
Other lifers	46	11

Note:

These figures have been drawn from administrative IT systems which, as with any large scale recording system, are subject to possible errors with data entry and processing.

Long Term Prisoners: Deportation

Chris Heaton-Harris: To ask the Secretary of State for Justice in which court cases the court has considered making a declaration of incompatibility under section 4 of the Human Rights Act 1998 after finding a provision of legislation incompatible with a Convention right contained in that Act, but has decided not to make such a declaration; which provision of legislation was found to be incompatible with which Convention right in each such case; what the response of the Government was to each such finding; and which of those judgements are final. [52689]

Mr Kenneth Clarke: The information requested is not collected and could not be provided except at disproportionate cost.

Magistrates: Expenses

Andrew Bingham: To ask the Secretary of State for Justice what account he took of trends in the price of motor fuel in making his proposals for changes to travel expenses payable to voluntary magistrates. [53041]

Mr Djanogly: Her Majesty's Courts and Tribunals Service is in discussion with the Magistrates Association and the National Bench Chairs' Forum about possible changes to the travel and subsistence allowances that magistrates receive in the course of their judicial work. Although no decisions have been taken, the price of motor fuel and other relevant factors are part of the discussion.

Andrew Bingham: To ask the Secretary of State for Justice how much on average a voluntary magistrate claimed in expenses for one day's court sitting in the latest period for which figures are available. [53042]

Mr Djanogly: Her Majesty's Courts and Tribunals Service does not hold the specific information on a daily basis, however, based on provisional data, the total cost of expenses claimed by Justices of the Peace for the financial year ending 31 March 2011, was around £17 million. This approximates to an average of £767 per claimant, per annum.

Andrew Bingham: To ask the Secretary of State for Justice what representations he has received on his proposals for changes to the travel and subsistence expenses for voluntary magistrates. [53044]

Mr Djanogly: Her Majesty's Courts and Tribunals Service is in discussion with the Magistrates Association and the National Bench Chairs' Forum about possible changes to the travel and subsistence allowances that magistrates receive in the course of their judicial work. No decisions have been made.

Police: Corruption

Mr Ruffley: To ask the Secretary of State for Justice how many cases of corruption involving prison officers which involved illegal drugs there were in each of the last five years. [53427]

Mr Blunt: The National Offender Management Service (NOMS) takes the issue of staff corruption seriously and has given a firm commitment to work in partnership with the police to detect, disrupt and deter all forms of corruption affecting prisons, including that involving illegal drugs.

Our records indicate that since January 2008 (to 31 March) there have been 31 convictions for drug related offences of persons working in prisons, 15 of these convictions relate to prison officers. Clearly, in addition to the possibility of criminal proceedings where appropriate, staff corruption, if proved, will amount to a breach of Conduct and Discipline procedures and internal disciplinary action can be taken. Our records indicate that during the same time frame there have been a total of eight dismissals for drug-related matters of directly employed staff, five of which relate to prison officers. The following table provides a yearly breakdown of the available data held centrally since 2007:

	<i>Drug related convictions of prison officers</i>	<i>Drug related dismissals of prison officers</i>
2008-09	6	2
2009-10	6	2
2010-11	2	1
2011-12	1	0

These figures have been drawn from live administrative data systems which may be amended at any time. Although care is taken when processing and analysing the returns, the detail collected is subject to the inaccuracies inherent in any large scale recording system. These figures do not include ongoing operations or investigations where it would be inappropriate to provide operationally sensitive data, or other management action taken in line with HR procedures or where an individual has resigned from employment.

Prisons: Crimes of Violence

John McDonnell: To ask the Secretary of State for Justice how many (a) prisoner on prisoner and (b) prisoner on officer assaults were recorded in each prison in each of the last 10 years; and if he will make a statement. [53881]

Mr Blunt: The National Offender Management Service publishes annual Safety in Custody statistics on the Ministry of Justice website. Statistics on prisoner on prisoner and prisoner on officer assaults for 2000 to 2009 can be found at the following link:

<http://www.justice.gov.uk/publications/statistics-and-data/prisons-and-probation/safety-in-custody.htm>

Statistics for 2010 are currently being verified for publication later this year.

Reoffenders

Mrs Moon: To ask the Secretary of State for Justice if he will assess the differences in reconviction rates in (a) England and Wales and (b) Denmark; and if he will make a statement. [52766]

Mr Blunt: This Ministry of Justice has conducted a pilot study comparing reoffending rates from three countries, England and Wales, Scotland and the Netherlands to assess whether national reoffending data can be compared.

The study showed that a significant part of the difference in reoffending rates between countries in this pilot was due to the different measurement techniques, rather than any real difference in the level of reoffending with particular groups of offenders. Therefore, it is important to understand and take into account underlying differences in the particular ways reoffending rates are calculated before any meaningful comparisons between countries can be made, and when making use of international evidence on what works to reduce reoffending.

The findings are in the Compendium of Re-offending Statistics 2010, which is available from the Ministry of Justice website:

<http://www.justice.gov.uk/publications/compendium-reoffending.htm>

No comparisons have been made with Denmark, but I have commissioned work to look into the feasibility of doing this in the future.

Mrs Moon: To ask the Secretary of State for Justice what visits Ministers in his Department have made to Denmark on the subject of reconviction rates in each year since 2005; and if he will make a statement.

[52767]

Mr Blunt: No Ministers in my Department have visited Denmark on the subject of reconviction rates since 2005.

In the margins of the October 2010 EU Council Justice and Home Affairs Committee, the Secretary of State briefly discussed the general criminal justice agenda in the UK and Denmark with his Danish counterpart. Both agreed that their priorities were aligned and that dialogue between their Departments should continue as policy developed.

Shoplifting

Mr Ruffley: To ask the Secretary of State for Justice how many incidents of shoplifting led to (a) a caution and (b) a conviction resulting in (i) probation and (ii) a custodial sentence in each parliamentary constituency in the East of England in each year since 2006. [53380]

Mr Blunt: I refer the hon. Gentleman to the answer I gave on 17 March 2011, *Official Report*, column 560W, for the number of offenders cautioned, found guilty and sentenced to a community rehabilitation order, community order, suspended sentence and immediate custody at all courts for 'stealing from shops and stalls' (shoplifting), in the East of England region, 1999 to 2009.

For the number of offenders found guilty and sentenced to immediate custody for shoplifting at all courts in the East of England, 1997 to 1998 please see the following table.

Information available centrally does not allow a breakdown of cases by parliamentary constituency or local authority area.

Please note that court proceedings data for 2010 are planned for publication on 26 May 2011.

Number of offenders found guilty and sentenced to immediate custody for 'Shoplifting'¹ at all courts, East of England Region 1997-98

Region/ Police force area	1997		1998	
	Found guilty	Immediate Custody	Found guilty	Immediate Custody
Bedfordshire	610	126	717	165
Cambridgeshire	502	35	594	56
Essex	1,637	316	1,714	360
Hertfordshire	576	44	611	73
Norfolk	713	65	928	80
Suffolk	586	54	681	98
East of England Region	4,624	640	5,245	832

¹ Stealing from 'shops and stalls' (shoplifting) is an offence under Theft Act 1968, section 1.

Notes:

1. These statistics relate to persons for whom these offences were the principal offence for which they were dealt with. When a defendant has been found guilty of two or more offences the principal offence is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

2. Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts, and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

Source:

Justice Statistics - Analytical Services, Ministry of Justice

Social Security Benefits: Tribunals

John Robertson: To ask the Secretary of State for Justice how many benefits tribunals took place in each year since 1997. [53179]

Mr Djanogly: Her Majesty's Courts and Tribunals Service only holds information on the number of First-tier Tribunal (Social Security and Child Support) hearings from 2007. Before this time appeals were administered by the Appeals Service, within the Department for Work and Pensions, prior to the formation of the Tribunals Service in 2006.

The following table provides information on hearings for each calendar year from 2007 up to 28 February 2011:

Calendar year	Number of hearings	
	Number of hearings	Total hearings
2007 ¹		143,768
2008		196,627
2009		231,367
2010		302,398
2011 ²		58,209

¹ The 2007 data may be incomplete for the period 19 January to 31 March 2007 as in late 2006 the Appeals Service migrated its case data over to a new IT system.

² Only includes data for January and February 2011.

The above figures include all appeals that required a hearing, including those where the appeal was adjourned and no decision was taken. The data have been taken from Management Information reports, and may be subject to revision.

Tribunals: Manpower

John Robertson: To ask the Secretary of State for Justice whether he has made an estimate of the likely required change in staffing levels for work relating to benefit tribunals in the comprehensive spending review period. [52893]

Mr Djanogly: Our current assessment is that at least 113 additional administrative staff will be required to support this work during the period 2011-12, together with significant additional funding to cover judicial and other non-staff costs. Recruitment of additional staff on fixed-term contracts is already under way. We will revisit the resource requirements for the later years of the spending review at a later date.

Young Offenders

Mr Ruffley: To ask the Secretary of State for Justice how many persistent young offenders are registered; how many offences have been recorded where the offender was a persistent young offender in each year since 2008; and what proportion of total offences in each police force area in England and Wales this represents. [53370]

Mr Blunt: There is no register of persistent young offenders and centrally available data do not provide the information requested.

Mr Ruffley: To ask the Secretary of State for Justice how many (a) 15, (b) 16 and (c) 17-year-olds were on remand in each police authority area in each year since

2005; and how many went on to serve a prison sentence for (i) the same and (ii) a different offence. [53374]

Mr Blunt: The data required to answer this question are currently being extracted and compiled. I will write to the hon. Member as soon as they are available. A copy will be placed in the House Library.

HOME DEPARTMENT

Alcoholic Drinks: Young People

Mr Ruffley: To ask the Secretary of State for the Home Department how many offences were recorded

in respect of retailers selling alcohol to those aged under 18 years in each year since 2006; how many police cautions were issued; and what the average fine levied was. [53439]

James Brokenshire: The number of offences for underage sales is not held centrally by the Home Office. The number of cautions and prosecutions for offences relating to underage sales, England and Wales, 2006 to 2009 (latest available) is shown in table 1.

Average fine amounts for offences relating to underage sales, England and Wales, 2006 to 2009 (latest available) is shown in table 2.

The Ministry of Justice plans to publish court proceedings data for 2010 on 26 May 2011.

Table 1: Number of offenders cautioned and defendants proceeded against at magistrates courts at all courts for underage sales, England and Wales, 2005-09^{1, 2, 3, 4, 5}

Offence code	Description	Cautioned					Proceeded against				
		2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
<i>Underage sales</i>											
14364	Individual aged under 18 knowingly consuming alcohol	0	2	1	1	1	0	1	3	0	2
14379	Sale of alcohol to person under 18	1	36	33	28	38	29	440	620	401	419
14398	Persistently selling alcohol to children	0	0	0	0	1	0	0	0	8	4
14203	Selling etc. intoxicating liquor to person under 18 for consumption on the premises.	97	22	7	1	4	1,044	741	63	31	2
14380	Allowing sale of alcohol to person under 18	0	0	2	1	1	0	17	10	19	5
14352	Wholesaler selling intoxicating liquor to a person under 18	4	3	0	0	0	11	1	0	0	0

¹ The cautions statistics relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been cautioned for two or more offences at the same time the principal offence is the more serious offence.

² From 1 June 2000 the Crime and Disorder Act 1998 came into force nationally and removed the use of cautions for persons under 18 and replaced them with reprimands and final warnings. These figures have been included in the totals.

³ The court proceedings statistics relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences the principal offence is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

⁴ Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

⁵ Excludes data for Cardiff magistrates court for April, July and August 2008.

Source:

Justice Statistics Analytical Services—Ministry of Justice

Table 2: Average fine¹ imposed for underage sales offences, England and Wales, 2005-9^{2, 3}

Offence code	Description	Average fine (£) ¹				
		2005	2006	2007	2008	2009
<i>Underage sales</i>						
14384	Individual aged under 18 knowingly consuming alcohol	n/a	n/a	n/a	n/a	*
14379	Sale of alcohol to person under 18	200	250	250	250	200
14398	Persistently selling alcohol to children	n/a	n/a	n/a	n/a	*
14203	Selling etc intoxicating liquor to person under 18 for consumption on the premises	200	250	250	300	*
14380	Allowing sale of alcohol to person under 18	n/a	200	325	350	*
14352	Wholesaler selling intoxicating liquor to a person under 18	200	n/a	n/a	n/a	n/a

* = Figure suppressed as number too small to give meaningful average.

n/a = Not applicable

¹ Median fine amount.

² The figures given in the table relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences it is the offence for which the heaviest penalty is imposed.

³ Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces.

Source:

Justice Statistics Analytical Services—Ministry of Justice.

Animal Experiments

Mr Sanders: To ask the Secretary of State for the Home Department if she will make representations to

the European Commission to bring forward proposals for the review of European Directive 2010/63/EU to include binding targets for the replacement of animals in scientific research. [53688]

Lynne Featherstone: Article 58 of European Directive 2010/63/EU requires the European Commission to review the Directive by 10 November 2017 taking into account advancements in the development of alternative methods not entailing the use of animals, in particular of non-human primates, and to propose amendments, where appropriate.

The United Kingdom contribution to the review will be considered at the appropriate time when consulted by the Commission.

Asylum

Mr Nuttall: To ask the Secretary of State for the Home Department what proportion of asylum seekers who were refused asylum on their original claim did not appeal the refusal decision in (a) 2008, (b) 2009 and (c) 2010. [53923]

Damian Green: Information on the outcome of an annual cohort of asylum applications is available in Main Table 2.7 of Control of Immigration: Statistics United Kingdom 2009, published in August 2010. This publication is available in the Library of the House and the Home Office Science website at:

<http://www.homeoffice.gov.uk/science-research/research-statistics>

Table 2.7 shows the latest status of decisions on applications made in each year as at May 2010. Data for 2010 and updates for previous years will be available in August 2011.

The number of initial decisions, appeals lodged, and cases that were not appealed in 2008 and 2009 are provided in the following table.

Cohort analysis of applications for asylum, excluding dependants, made 2008 to 2009; initial decisions and appeals lodged, as at May 2010¹

	Principal applicants	
	2008	2009 ³
<i>Initial decisions</i>		
of which: initial decisions by Home Office		
Recognised as a refugee and granted asylum	4,110	3,075
Not recognised as a refugee but granted, HP or DL	2,380	2,160
Refused asylum, HP or DL	14,615	14,940
<i>Appeals lodged²</i>	10,960	11,955
Initial decisions that have not been appealed ²	6,030	5,145

¹ Figures rounded to the nearest five.

² Appeals are lodged against initial decisions of Humanitarian Protection (HP), Discretionary Leave (DL), or refusals of asylum, HP or DL.

³ Provisional figures.

The number of appeals lodged and initial decisions that have not been appealed includes cases where the initial decision was to grant Humanitarian Protection (HP) or Discretionary Leave (DL), as well as those refused asylum, HP or DL. Therefore, it would be inappropriate to provide a proportion in this instance.

Crimes of Violence

Mr Ruffley: To ask the Secretary of State for the Home Department in how many cases of offences of causing actual bodily harm police cautions were issued in each of the last five years; and in what proportion of such cases the offence was the first offence recorded by the offender. [53488]

Mr Blunt: I have been asked to reply.

The figures requested are provided in the following tables for adult offenders cautioned and for juvenile offenders given reprimands or warnings, the equivalent to adult cautions, between 2005 and 2009. Figures for the criminal history of offenders receiving cautions, reprimands or warnings during 2010 will be published on 26 May 2011.

Number of cautions given to adult offenders for the offence of causing actual bodily harm as recorded on the Police National Computer, and the number for which this was the offender's first offence, 2005-09, England and Wales

	Number of cautions for ABH	Cautions for ABH where offender had no previous convictions or cautions	
		Number	Percentage
2005	15,083	8,767	58.1
2006	17,424	9,324	53.5
2007	15,431	7,936	51.4
2008	11,898	5,941	49.9
2009	10,084	5,007	49.7

Number of reprimands and warnings given to juvenile offenders for the offence of causing actual bodily harm as recorded on the Police National Computer, and the number for which this was the offender's first offence, 2005-09, England and Wales

	Number of reprimands and warnings for ABH	Reprimands and warnings for ABH where offender had no previous convictions, reprimands or warnings	
		Number	Percentage
2005	8,872	6,674	75.2
2006	8,549	6,204	72.6
2007	6,889	4,781	69.4
2008	5,086	3,473	68.3
2009	4,100	2,886	70.4

Note:

These figures have been drawn from the police's administrative IT system, the police national computer, which, as with any large scale recording system, is subject to possible errors with data entry and processing. The figures are provisional and subject to change as more information is recorded by the police.

Departmental Buildings

Luciana Berger: To ask the Secretary of State for the Home Department what the (a) name and (b) address is of each building owned by her Department; and what the estimated monetary value is of each such building. [53810]

Damian Green: The detail of properties owned by the Department is set out in the following table:

Building name	Address	Book value at 31 March 2011 (£)
Yarls Wood Removal Centre	Clapham Bedfordshire	35,996,591
Colnbrook Immigration Removal Centre	West Drayton Middlesex	55,994,192
Harmondsworth Removal Centre	West Drayton Middlesex	81,560,975
Dungavel House Removal Centre	South Lanarkshire	4,607,607
Campsfield House Immigration Removal Centre	Oxford Oxfordshire	6,193,918
Langhurst House	Horsham West Sussex	1,720,000
Sandridge	St Albans Herts	3,435,000

Departmental Communications

Mr Ruffley: To ask the Secretary of State for the Home Department how many non-geographic telephone numbers are in use by (a) her Department and (b) its agencies; what services can be accessed by calling each of them; and what revenue was received from each number in each year since 1997. [53512]

Damian Green: The information requested is as follows:
Home Office HQ

The Home Office HQ uses two non-geographic telephone numbers and 11 fax lines, none of which are revenue generating, as follows:

- Publications Ordering Line
- Action Line—Advice to help practitioners take effective action to tackle antisocial behaviour
- Publications Ordering Line (Fax)
- Private Office to the Home Secretary (Fax)
- Private Office to Baroness Neville-Jones (Fax)
- Private Office to James Brokenshire (Fax)
- Private Office to Damian Green (Fax)
- Private Office to Nick Herbert (Fax)
- Private Office to Lynne Featherstone (Fax)
- Ministers Parliamentary Team (Fax)
- Special Advisers (Fax)
- Private Office Management Support Unit (Fax)
- Permanent Secretary's Office (Fax)

UK Border Agency

The UK Border Agency (UKBA) uses five non-geographic telephone numbers. These are used by the various contact centres to help customers, sponsors and employers on a wide range of topics. UKBA does not generate any revenue from any of these numbers. Details of services that can be accessed through these numbers are as follows:

MPs' enquiry line (MPEL): Dedicated service to MPs and their offices dealing with immigration enquiries;

Sponsorship and employers' helpline;

Information for employers and education providers about sponsorship under the points-based system;

A service to employers who want to verify the entitlement to work for people who are awaiting the outcome of an application made to the Home Office; and

Advice to employers about preventing illegal working, and particularly about carrying out the document checks necessary to establish a statutory excuse against liability to pay a civil penalty.

Nationality Contact Centre

Answers questions on British nationality law including:

What British citizenship is;

The different types of British nationality;

The requirements you need to meet to become a British citizen;

How to make an application;

The cost of making an application;

The nationality checking service;

Where completed application forms should be sent;

The current waiting times for nationality applications; and

Citizenship ceremonies.

EEA residency enquiries

European enquiries contact centre:

Provides information about the European regulations for nationals of the European economic area (EEA) or Switzerland, or a member of an EEA or Swiss national's family.

Immigration enquiry bureau

Public Enquiry Office appointment booking service;

Return of Documents request service;

Progress update service for current applicants;

General enquiries service (primarily about the Immigration Rules).

Criminal Records Bureau

The CRB has six non-geographical telephone numbers and one non-geographical fax number in use. The lines are dedicated to an individual part of the service as follows:

- CRB Information line
- CRB Registration line
- CRB Disclosure application line
- CRB Minicom line
- CRB Disputes Line
- CRB Welsh line
- CRB Customer Services (Fax)

The lines are provided by the CRB's private sector partner Capita plc as part of a commercial contract. The CRB does not receive any revenue from these lines.

Identity and Passport Service

There are currently eight Identity and Passport Service (IPS) telephone lines which all use 0300 numbers (previously 0845/0870 numbers). These numbers provide general passport advice and appointments at regional offices for passport applications:

Passport Advice Line

ABI Booking Line

ABI Welsh

Fees information

Customer Correspondence Queries

Local Registration Service. This was introduced in April 2011 to provide access to specialist advice from the General Register Office. Certificate Ordering services within the General Register Office

Passport Advice Line (text phone for hard of hearing, customers)

Fees information service (text phone for hard of hearing customers)

IPS has not kept records of the number of calls each service received on the 0845/0870 numbers, but revenue raised from 0845/0870 numbers previously in use is as follows:

	£
2004-05	383,264.74
2005-06	238,605.96
2006-07	320,898.70
2008-09	236,730.00
2009-10	19,706.00

The revenue received was used to help fund the overall cost of the service.

Information on revenue earned prior to 2004 can be obtained only at a disproportionate cost.

The total revenue received in 2009-10 covers the period February to August 2009, as IPS stopped receiving revenue from its 0870 numbers from 1 September 2009. The figure in 2009-10 is much lower than previous years, as the majority of calls were on the new 0300 numbers introduced in September 2008.

Departmental Travel

Mr Ruffley: To ask the Secretary of State for the Home Department how much her Department spent on flights (a) within England and (b) outside the UK in each of the last five years. [53431]

Damian Green: The Department's recorded spend on UK and overseas flights is shown in the following table.

<i>Home Office expenditure on flights</i>					
	<i>£ million</i>				
	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
<i>UK</i>					
Home Office and UKBA	1.04	1.17	1.15	1.64	0.90
IPS	0.31	0.47	0.53	0.42	0.23
CRB	0	0	0	0	0
Total UK	1.35	1.64	1.68	2.06	1.13
<i>Overseas</i>					
Home Office and UKBA	2.12	1.39	1.44	1.31	1.00
IPS	0.05	0.06	0.07	0.09	0.14
CRB	0	0	0	0.09	0
Total overseas	2.17	1.45	1.51	1.49	1.14
Total flights	3.52	3.09	3.19	3.55	2.27

Information on flights within England alone could be provided only at disproportionate cost.

Figures for 2010-11 are subject to audit by National Audit Office.

The Department expects all official travel to be carried out by the most efficient and economic means available, taking into account the cost of travel and subsistence, savings in official time, management benefit, and the needs of staff with disabilities. This is in accordance with the Civil Service Management Code and the Ministerial Code.

EU Immigration

Priti Patel: To ask the Secretary of State for the Home Department whether she has discussed with her European counterparts the (a) definition and (b) legal status of irregular migrants; and whether she has discussed with (i) the Council of Europe and (ii) the Council of Europe's Commissioner for Human Rights the use of the term irregular migrant. [53845]

Damian Green: The Secretary of State for the Home Department, my right hon. Friend the Member for Maidenhead (Mrs May), has discussed the prevention of illegal migration across the European Union's external borders with her European counterparts, including the situations in the Southern and Eastern Mediterranean. The Home Secretary has not discussed the definition or legal status of irregular migrants with her European counterparts, or the use of the term 'irregular migrant' with either the Council of Europe or the Council of Europe's Commissioner for Human Rights.

Freedom of Information

Mr Ruffley: To ask the Secretary of State for the Home Department what proportion of requests received by her Department under the Freedom of

Information Act 2000 gave rise to responses published by her Department in each year since the entry into force of that Act. [53457]

Lynne Featherstone: The information is set out in the table in line with guidance published by the Information Commissioner. The Home Office publishes on its website information released in response to Freedom of Information requests where the information is likely to be of wider interest to members of the public. We do not publish responses in the many cases where the released information is of relevance only to the requester, or where the information requested is either not held or is withheld under one or more of the exemptions in the Freedom of Information Act.

<i>Freedom of Information requests received by the Home Office, 2005-11</i>		
	<i>Request received</i>	<i>Reponses published (percentage)</i>
2005	1,970	15
2006	2,861	11
2007	2,269	10
2008	1,998	5
2009	2,492	4
2010	3,069	6
2011	867	7

Notes:

1. Figures for responses published in 2005 and 2006 do not involve responses published by the Criminal Records Bureau.
2. Figures for 2001 are to 31 March.

Hotels

Mr Ruffley: To ask the Secretary of State for the Home Department how much (a) her Department and (b) each of its agencies spent on hotel and other such accommodation for staff (i) in the UK and (ii) abroad in each year since 2007-08. [53408]

Damian Green: Expenditure of the Home Office and its agencies on hotel accommodation for staff in the UK and abroad is shown in the following table:

<i>Expenditure on staff hotel accommodation</i>					
		<i>£000</i>			
		<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
Home Office	UK	1,213	3,562	1,026	1,000
	Overseas	4,318	2,478	173	124
UKBA	UK	1	1	4,678	3,702
	Overseas	1	1	2,478	2,236
IPS	UK	1,857	1,150	1,350	704
	Overseas	8	14	16	15
CRB	UK and Overseas	n/a	n/a	n/a	n/a

¹ UKBA became an executive agency in 2009-10

Figures for Crime Research Bureau cannot be provided without incurring disproportionate cost.

The Department expects all official travel, and the associated accommodation, to be undertaken by the most efficient and economic means available, taking into account the cost of travel and subsistence, savings in official time, management benefit, and the needs of staff with disabilities. This is in accordance with the Civil Service Management Code and the Ministerial Code.

The number of defendants proceeded against at magistrates courts, issued with a fine, or caution¹ for offences under the Hunting Act 2004², England and Wales, 2006-09^{3,4}

Police force area	Cautioned				Proceeded against			Fine				
	2006	2007	2008	2009	2006	2007	2008	2006	2007	2008	2009	
England and Wales	—	8	4	8	11	62	44	90	5	41	25	51

¹ From 1 June 2000 the Crime and Disorder Act 1998 came into force nationally and removed the use of cautions for persons under 18 and replaced them with reprimands and warnings. These figures have been included in the totals.

² Came into force on 18 February 2005.

³ The statistics relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences the principal offence is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

⁴ Excludes data for Cardiff magistrates court for April, July and August 2008.

Source:

Justice Statistics Analytical Services—Ministry of Justice.

Immigration

Mrs Main: To ask the Secretary of State for the Home Department what progress the UK Border Agency has made in locating and correcting the immigration status document of Mr Khuy, of St Albans. [54054]

Damian Green: Mr Khuy's immigration status document was amended in line with his representative's request to change the spelling of his first name and was sent to his representatives on 18 November 2010 by recorded delivery.

In a query from my hon. Friend's office, made on 27 April 2011, the Agency were advised that Mr Khuy's immigration status documents had been returned with an incorrect date of birth and Mr Khuy had received confirmation of this delivery. I can confirm that the UK Border Agency will write to my hon. Friend directly with an update on Mr Khuy's case.

Priti Patel: To ask the Secretary of State for the Home Department pursuant to the written ministerial statement of 27 April 2011 on the Immigration and Nationality (Fees) Regulations 2011, when she expects to bring forward an amendment to the regulations to introduce the new fee for stateless persons to be granted the status of a British protected person. [54089]

Damian Green: An amendment will be made at the next available opportunity. We do not yet have a planned date for this.

Rape

Mr Ruffley: To ask the Secretary of State for the Home Department how many allegations of rape were reported to the police by (a) women and (b) men in each year since 2007-08; how many reports of rape resulted in prosecutions; and how many such prosecutions were successful in each such year. [53402]

Lynne Featherstone: Data on police recorded offences of rape against a male and rape against a female are collected by the Home Office. The requested data for each year since 2007-08 are provided in Table A.

Data on reported rapes which resulted in prosecutions are not available as it is not possible to track individual offences through to their outcome at court. Prosecutions data are based on the number of offenders and have been provided by the Ministry of Justice in Table B. These data are published on a calendar year basis and are counts of persons classified by their principal offence. As such, prosecutions data cannot be linked to police recorded crime data.

Table A: Offences of rape against a male and rape against a female recorded in England and Wales 2007-08 to 2009-10

	2007-08	2008-09	2009-10
Rape of a male	1,008	964	1,174
Rape of a female	11,629	12,140	13,991

Table B: Number of defendants proceeded against at magistrates courts and found guilty¹ of a male and female England and Wales 2007-09^{2,3}

Offence	2007	2008 ⁴	2009
<i>Rape of a male</i>			
Proceeded against	197	162	213
Found guilty	82	67	65
<i>Rape of a female</i>			
Proceeded against	2,166	2,233	2,583
Found guilty	791	855	932
<i>Total rape</i>			
Proceeded against	2,363	2,395	2,796
Found guilty	873	922	997

¹ Includes attempted rape.

² The figures given in the table on court proceedings relate to persons for whom these offences were the principal offences for which they were dealt with. When a defendant has been found guilty of two or more offences it is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

³ Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

⁴ Excludes data for Cardiff magistrates court for April, July, and August 2008.

Source:

Justice Statistics Analytical Services in the Ministry of Justice

Shoplifting

Mr Ruffley: To ask the Secretary of State for Justice how many people were convicted of shoplifting in the East of England in each year since 1997 in each parliamentary constituency; and how many of these convictions resulted in a custodial sentence. [53502]

Mr Blunt: I have been asked to reply.

I refer the hon. Gentleman to the answer I gave on 17 March 2011, *Official Report*, column 560W, for the number of offenders cautioned, found guilty and sentenced to a community rehabilitation order, community order, suspended sentence and immediate custody at all courts for 'stealing from shops and stalls' (shoplifting), in the East of England region, 1999 to 2009.

For the number of offenders found guilty and sentenced to immediate custody for shoplifting at all courts in the East of England, 1997 to 1998 please see the following table.

Information available centrally does not allow a breakdown of cases by parliamentary constituency or local authority area.

Please note that court proceedings data for 2010 are planned for publication on 26 May 2011.

Number of offenders found guilty and sentenced to immediate custody for 'Shoplifting'¹ at all courts, East of England region 1997-98

Region/ Police force area	1997		1998	
	Found guilty	Immediate custody	Found guilty	Immediate custody
Bedfordshire	610	126	717	165
Cambridgeshire	502	35	594	56
Essex	1,637	316	1,714	360
Hertfordshire	576	44	611	73
Norfolk	713	65	928	80
Suffolk	586	54	681	98
East of England Region	4,624	640	5,245	832

¹ Stealing from 'shops and stalls' (shoplifting) is an offence under Theft Act 1968, section 1.

Notes:

1. These statistics relate to persons for whom these offences were the principal offence for which they were dealt with. When a defendant has been found guilty of two or more offences the principal offence is the offence for which the heaviest penalty is imposed. Where the same disposal is imposed for two or more offences, the offence selected is the offence for which the statutory maximum penalty is the most severe.

2. Every effort is made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by the courts, and police forces. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.

Source:

Justice Statistics - Analytical Services, Ministry of Justice

WORK AND PENSIONS

Incapacity Benefit: Appeals

Mr Ruffley: To ask the Secretary of State for Work and Pensions how many appeals by claimants against decisions on non-entitlement to incapacity benefit there have been in each year since 2000; what the average length of time taken to determine such appeals was in each such year; and what the cost of such appeals was in each such year. [53410]

Mr Djanogly: I have been asked to reply.

Her Majesty's Courts and Tribunals Service is currently collating this information. I will write to the hon. Member shortly.

DEFENCE

Armed Forces: Germany

Mr Jim Murphy: To ask the Secretary of State for Defence (1) whether any additional provision is to be made for local authorities to whose areas troops returning from overseas bases will settle; [53145]

(2) what timetable he has set for the return of troops from Germany; and to which garrisons they will return in the (a) first and (b) second wave; [53146]

(3) how many British troops he expects to return to the UK from bases overseas (a) before 2015 and (b) between 2015 and 2020; [53213]

(4) what discussions (a) he and (b) Ministers and officials of his Department have had with local authorities on the forthcoming return of British troops from Germany. [53214]

Nick Harvey: The Strategic Defence and Security Review (SDSR) set out the Government's aim to accelerate the re-basing of the 20,000 or so armed forces personnel currently in Germany to the UK. Since the SDSR was announced the Ministry of Defence has been addressing the full range of basing and estate issues arising from the re-basing from Germany; restructuring of the Army's non-deployable regional and administrative structure; and the future requirement for RAF bases. Once we have drawn up a comprehensive basing and estates rationalisation plan the Army will be able to draw up its detailed proposals for the rebasing of forces from Germany. Officials will engage with the local authorities concerned as these develop.

Armed Forces: Prisons

Mr Jim Murphy: To ask the Secretary of State for Defence (1) which Minister in his Department authorised the inclusion of the armed forces in contingency plans for dealing with industrial unrest at UK prisons; [52789]

(2) from which units armed forces personnel who have been part of contingency plans for dealing with industrial unrest at prisons have been selected; [53147]

(3) how many hours of training have been given to armed forces personnel as part of contingency plans for dealing with industrial unrest at UK prisons; [53148]

(4) how many work hours staff in his Department have spent on contingency planning for dealing with industrial unrest at prisons. [53215]

Nick Harvey: As Minister of State for the Armed Forces I authorised the provision of military assistance to the Ministry of Justice in the event of industrial action by prison officers following a formal request for assistance by the Ministry of Justice.

As at 26 April 2011, military personnel from the units in the following table have been or are currently being trained to support to the Ministry of Justice in the event of industrial action by prison officers. I have taken unit to mean those formations commanded by an officer of at least lieutenant colonel or equivalent. The army has mostly provided personnel in formed sub-units. In the case of the Royal Navy and Royal Air Force, smaller numbers have generally been provided from a number of establishments or ships, all of which are shown in the following table.

Royal Navy	Army	Royal Air Force
HMS Chatham	1 Battalion Mercian Regiment	No 1 Force Protection Wing
HMS Manchester	21 Engineer Regiment	No 1 Tactical Police Wing
HMS Northumberland	4 Regiment Royal Artillery	No 2 Police Wing
HMS Portland	3 Logistic Support Regiment	Defence College of Aeronautical Engineering, RAF Cosford

<i>Royal Navy</i>	<i>Army</i>	<i>Royal Air Force</i>
HMS Somerset	2 Signal Regiment	Defence College of Logistics and Personnel Administration and Defence College of Policing and Guarding, Southwick Park
HMS York	14 Signal Regiment	Defence Medical Rehabilitation Unit, Headley Court
HMS Gloucester	27 Regiment Royal Logistics Corps	Joint Force Harrier, RAF Wittering and RAF Cottesmore
HMS Sultan	39 Engineer Regiment	MOD Boscombe Down
HMS Dauntless	16 Regiment Royal Artillery	MOD St Athan
HMS Liverpool	22 Field Hospital	RAF Brampton
HMS Bulwark	17 Regiment Royal Logistics Corps	RAF Brize Norton
HMS Sutherland	29 Regiment Royal Logistics Corps	RAF Coningsby
HMS Campbeltown	104 Field Support Battalion Royal Electrical and Mechanical Engineers	RAF Cottesmore
HMNB Portsmouth	30 Signal Regiment	RAF Cranwell
HMNB Devonport	22 Signal Regiment	RAF Digby
RNAS Culdrose	Allied Rapid Reaction Corps Support Battalion	RAF Halton
RNAS Yeovilton	1 Artillery Brigade	RAF Henlow
	101 Logistics Brigade	RAF High Wycombe
	2 Prince of Wales Royal Regiment	RAF Honington
	Kings Troop Royal Horse Artillery	RAF Kinloss
	12 Regiment Royal Artillery	RAF Leeming
	5 The Royal Regiment of Scotland	RAF Linton-on-Ouse
	1 Royal Tank Regiment	RAF Lyneham
	HQ Joint Helicopter Command	RAF Marham
	HQ London District	RAF Northolt
	HQ 2 (South East) Brigade	RAF St Mawgan
	HQ 15 (North East) Brigade	RAF Scampton
	HQ 42(North West) Brigade	RAF Shawbury
	HQ 43 (Wessex) Brigade	RAF Valley
	HQ 49 (East) Brigade	RAF Waddington
	HQ 143 (West Midlands) Brigade	RAF Wittering
	HQ 145 (South) Brigade	RAF Wyton
	HQ 160 (Wales) Brigade	Tactical Supply Wing, MOD Stafford

In addition personnel from all three services have been provided from the Permanent Joint Headquarters, HQ Standing Joint Commander(UK) and Defence Equipment and Support.

Military personnel who may be called on to provide support in prisons receive a standardised 45 hour training package spread over five days. In addition, a small number of military personnel have been trained to conduct the training programme; these personnel receive approximately 90 hours training over 10 days.

The information on the number of working hours Ministry of Defence and other Headquarters staff have spent conducting contingency planning for any industrial action by prison officers is not held in the format

requested. It is not possible to disaggregate this work from wider contingency and operational planning across the Department.

Armed Forces: Young People

Cathy Jamieson: To ask the Secretary of State for Defence (1) what proportion of new recruits to the armed forces were under 18 years of age in each of the last 10 years; [52872]

(2) how many people of each sex under the age of 18 joined the armed forces in each of the last 10 years; [52873]

Mr Robathan: The information requested is presented in the following tables:

Percentage of intake under 18-years-old by financial year

	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Percentage of intake under 18 years old	37.3	37.6	36.1	35.0	35.1	34.2	30.0	28.0	25.4	21.4

Intake to UK Regular Forces aged under 18 years in each of the last ten financial years by gender

	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Male	7,750	7,960	8,445	7,320	5,610	5,645	5,290	5,440	5,275	4,235
Female	820	915	1,020	895	550	530	520	540	505	435

Departmental Food

Mary Creagh: To ask the Secretary of State for Defence what proportion of the (a) bacon and (b) eggs purchased by his Department since 7 May 2010 came from producers meeting UK animal welfare standards. [52695]

Peter Luff: This information is not held in the format requested.

The Ministry of Defence (MOD) has two primary contracting arrangements for feeding armed forces personnel; the first is a number of outsourced pay as you dine/catering retail and leisure contracts covering most armed forces personnel 'in UK barracks'. Contractors appointed under this arrangement are free to source on the open market consistent with meeting EU competition rules and quality standards. We will be calling for data next month from our catering retail and leisure suppliers, in order to provide a report to Department for Environment, Food and Rural Affairs on our status against the proposed Government buying standards for food and catering.

The second arrangement is a single food supply contract for armed forces personnel serving on operations, exercises, in submarines and ships worldwide as well as the remainder of armed forces personnel 'in barracks'. The food supply contract has been placed on Purple Food Service Solutions who procure meat and dairy proteins in the UK that meet all UK animal welfare standards. Proteins purchased outside of the UK comply with the EU animal welfare standards. 100% of bacon sourced since May 2010 meets these standards. 100% of eggs sourced since May 2010 meets the Lion Standard, an internationally recognised quality code of practice. All food purchased through the MOD food supply contract is subject to stringent quality standards, encompassing farm assurance, animal welfare and health and nutrition. These meet or exceed all current legislative standards.

Electronic Warfare

John Robertson: To ask the Secretary of State for Defence whether his Department's computer systems have been targeted by the Stuxnet virus since its emergence. [52737]

Nick Harvey: We do not comment on the detail of cyber security incidents.

The Department has procedural and physical measures in place to protect against and mitigate the impact of such incidents.

Guided Weapons

Mr Amess: To ask the Secretary of State for Defence (1) whether the contracts for the Future Anti-Surface Guided Weapon (Heavy) Anti-Navire Légère system are to be renegotiated as part of the review process within his Department; whether he plans to review the requirement for this system; and if he will make a statement; [51959]

(2) how much he expects his Department to spend on the Future Anti-Surface Guided Weapon (Heavy) Anti-Navire Légère system in the 2011-12 financial year; what the total planned cost of introduction of the system is; whether the planned cost is on budget; on what date he expects the system to enter service; and if he will make a statement. [51960]

Peter Luff: The Ministry of Defence now takes a portfolio approach to procuring complex weapons. This was launched in April 2010 and will secure significant efficiencies across the breadth of the complex weapons portfolio over the next 10 years and beyond, and is designed to meet the UK's military requirements and safeguard our sovereign capability.

There are no plans to re-negotiate the Ministry of Defence contract with MBDA UK for the Future Anti-Surface Guided Weapon (Heavy)/Anti Navire Léger programme (FASGW(H)) which is currently in the assessment phase of the acquisition cycle and planned to complete later this year.

The Department estimates that it will spend about £1.7 million on the FASGW(H) programme in financial year 2011-12. As the project is in its assessment phase, the overall cost and in-service date have yet to be finalised. They will be considered as part of the departmental planning and approvals process leading to main gate approval, currently planned for later in financial year 2011-12, and subsequent procurement.

Libya: Armed Conflict

Mr Jim Murphy: To ask the Secretary of State for Defence what military equipment has had its life extended in response to the conflict in Libya; for how long the life of each item has been extended; on what date the life of each item is expected to expire; and what estimate has been made of the cost to the public purse of each month of life extension for each item. [52965]

Peter Luff: A single Nimrod R1 surveillance aircraft, two C-130K Hercules transport aircraft and the Type 22 Frigate HMS Cumberland have had their service lives extended in response of the conflict in Libya.

These equipments were due to be withdrawn from service from 1 April 2011 and have been extended by three months, one month and 16 days respectively, though the decision on the Nimrod R1 will be kept under review.

Contractual negotiations for the Nimrod R1's extension have not yet been completed, but the anticipated cost is likely to be around £4 million. The cost of extending the C-130s and HMS Cumberland is anticipated to be around £15,000 and £575,000 respectively.

Mr Jim Murphy: To ask the Secretary of State for Defence (1) what discussions (a) he and (b) (i) Ministers and (ii) officials in his Department have had with their NATO counterparts on arming the opposition in Libya; [53016]

(2) what legal advice (a) he and (b) (i) Ministers and (ii) officials in his Department have sought on arming the opposition in Libya. [53017]

Dr Fox: We are in constant discussion, both at ministerial and official level, with our NATO counterparts on how to continue to enforce United Nations Security Council Resolution (UNSCR) 1970 and 1973.

Departmental officials work closely with Ministry of Defence legal advisers at all times. Legal advice is subject to legal professional privilege and cannot therefore be disclosed.

Navy

Mr Kevan Jones: To ask the Secretary of State for Defence what capability the Royal Navy has to regenerate the ability to lift a brigade-sized force by sea. [51120]

Nick Harvey: I refer the hon. Member to the answer I gave on 27 April 2011, *Official Report*, column 419W.

Piracy

Mr Spellar: To ask the Secretary of State for Defence pursuant to the answer of 31 March 2011, *Official Report*, column 436W, on piracy, whether there have been any recent changes to the naval doctrine on countering piracy. [53188]

Nick Harvey: There have been no recent changes to naval doctrine on counter piracy.

UN Security Council

Caroline Lucas: To ask the Secretary of State for Defence what recent estimate he has made of the total level of resources his Department will provide for the implementation of UN Security Council Resolution 1973. [53655]

Dr Fox: As the Chancellor of the Exchequer has made clear, the additional costs of operations in Libya will be fully met from the reserve.

INTERNATIONAL DEVELOPMENT

Brazil: Dams

Lindsay Roy: To ask the Secretary of State for International Development what recent discussions he has had with his Brazilian counterpart on the construction of a hydroelectric dam in Brazil. [52839]

Mr Duncan: The Secretary of State for International Development has had no such discussions with the Government of Brazil.

Departmental Buildings

Luciana Berger: To ask the Secretary of State for International Development what the (a) name and (b) address is of each building owned by his Department; and what the estimated monetary value is of each such building. [53800]

Mr Duncan: The Department for International Development owns one property in the UK, our office named Abercrombie House, in Eaglesham Road, East Kilbride, G75 8EA, where the building is valued at £4,960,000.

In addition, we own 8 residential properties in Malawi to a total value of £789,239, and three residential properties in Zimbabwe to a total value of £189,495. Addresses of these properties cannot be provided for security reasons.

Departmental Work Experience

Chi Onwurah: To ask the Secretary of State for International Development what advice his Department provides to those wishing to (a) work as an intern, (b) undertake a work experience placement and (c) work as a volunteer in his Department. [52810]

Mr Duncan: The Department for International Development (DFID) thank by email or letter all those inquiring about work experience, internships and volunteer work for their interest in gaining experience in international development.

We explain that DFID does not offer opportunities for paid or unpaid work experience, internships or voluntary work within the Department. Given current resource constraints the cost of running such schemes is disproportionately high when compared to the very small number of opportunities we could contemplate offering.

We advise them to check our website:

www.dfid.gov.uk

for advertised vacancies and for more information on other aid organisations.

The International Citizens Service was launched on 9 March 2011 to provide opportunities for 18 to 22-year-olds to undertake voluntary work in a developing country. More information is available on the DFID website at:

<http://www.dfid.gov.uk/Get-Involved/Volunteering/International-Citizen-Service/>

Developing Countries: Cotton

Alison McGovern: To ask the Secretary of State for International Development whether his Department has contributed to the EU-Africa Partnership on cotton and its associated action plan. [52206]

Mr O'Brien: The UK provides financial support to aid for trade programmes for cotton producers. Much of this is channelled through the European Development Fund, including through the Action Plan of the EU-Africa Partnership on Cotton.

Alison McGovern: To ask the Secretary of State for International Development what forms of support his Department provided for cotton producers in developing countries in 2010-11. [52207]

Mr O'Brien: In 2010-11 the UK provided political support for cotton producers, pressing for conclusion of the Doha Development Round (DDA), reform of the EU's common agricultural policy (CAP) and removal of US cotton subsidies. Financial support was given through a range of institutions for aid for trade programmes to support cotton producers. The UK also provided support for research to highlight the negative impact of cotton subsidies on farmers in developing countries and influence their removal.

Alison McGovern: To ask the Secretary of State for International Development what contribution his Department has made to the World Trade Organisation's aid for trade programmes for cotton producers. [52229]

Mr O'Brien: The World Trade Organisation (WTO) does not carry out aid for trade programmes itself, but does monitor flows of aid for trade finance. The UK provides financial support to aid for trade programmes for cotton producers. The majority of UK support is channelled through institutions such as the European Commission and World Bank. The UK also provides a small amount of bilateral support.

Alison McGovern: To ask the Secretary of State for International Development what his policy is on the proposal in respect of cotton contained in paragraph 52 of the World Trade Organisation's revised draft modalities for agriculture of 6 December 2008. [52516]

Mr O'Brien: Paragraph 52 of the World Trade Organisation (WTO) revised draft modalities for agriculture within the Doha Development Agenda (DDA) does not explicitly address cotton. However, other parts of the text contain proposals to address trade-distorting policies affecting the cotton sector. These call for larger and faster cuts in cotton subsidies, relative to others.

Given the importance of cotton to farmers in developing countries, particularly those in sub-Saharan Africa, the UK Government supports these proposals and is at the forefront of countries pressing for an ambitious outcome on cotton within the DDA.

Developing Countries: Debts

Lisa Nandy: To ask the Secretary of State for International Development what his policy is on permanency of the Debt Relief (Developing Countries) Act 2010; and if he will expand its remit to include other British Crown Dependencies and Overseas Territories. [52923]

Mr Hoban: I have been asked to reply.

The Debt Relief (Developing Countries) Bill received Royal Assent on 8 April 2010 and the Act came into force on 8 June 2010. The legislation means that UK Courts of Law can no longer be used to pursue excessive claims against some of the poorest countries on their historic debts, ensuring that resources are available to tackle poverty. The sunset clause attached to this legislation means that the law will expire on 7 June 2011. The Government have reviewed the impact of the Debt Relief (Developing Countries) Act 2010. Evidence suggests that the Act has had some benefit on heavily indebted poor countries and no evidence has been found of unintended adverse effects. The Government have decided to make the Act permanent. The draft Order was laid before Parliament on 28 March 2011. The UK will share its experience of addressing non-participation in debt relief with Britain's Crown Dependencies and Overseas Territories.

Developing Countries: Energy

Zac Goldsmith: To ask the Secretary of State for International Development what his policy is on the inclusion of increased investment in access to clean energy for the poorest people as an outcome in the new World Bank energy strategy. [52889]

Mr O'Brien: The UK strongly supports the World Bank's ambition to increase lending for access to clean energy, particularly for the poorest, as part of its new energy strategy.

Zac Goldsmith: To ask the Secretary of State for International Development if he will promote a reformed approach to the World Bank's work on climate change including a reduction in finance for fossil fuels; and whether he raised this issue at the World Bank Spring meetings. [52890]

Mr O'Brien: The World Bank's Energy Strategy must meet the twin goals of sustainable energy production and addressing the chronic shortfall in energy that exists in many countries. We therefore strongly support a reformed approach to the World Bank's work on climate change including a shift away from fossil fuel lending and an increase in lending for clean energy.

In his statement to the World Bank Development Committee the Secretary of State for International Development emphasised the bank's role to support the global climate change agenda. He said that the bank should promote energy efficiency and generation from renewable energy sources.

A copy of the statement is available in the World Bank website at:

<http://www.web.worldbank.org/WBSITE/EXTERNAL/DEVCOMMEXT/0,,menuPK:60001657~pagePK:64001141~piPK:64001176~theSitePK:277473,00.html>

Zac Goldsmith: To ask the Secretary of State for International Development what his policy is on the proposed ban on World Bank lending for new coal power projects to middle income countries; and whether he raised this issue at the World Bank spring meetings. [52891]

Mr O'Brien: The UK strongly support the Bank's shift away from lending for coal fired power stations towards cleaner energy sources where there is a greater need for concessional lending. The Bank should focus where it can add most value such as support for low income countries, which have less capacity and access to finance. We want to see the Bank helping countries explore all reasonable alternative options before concluding that coal is the appropriate option. Where these are not feasible we want to see efforts being made to ensure the cleanest possible technology is used.

In his statement to the World Bank Development Committee the Secretary of State for International Development emphasised the Bank's role to support the global climate change agenda by promoting energy efficiency and generation from renewable energy sources. He also indicated it should focus on the most valuable contribution it can make, such as leveraging finance for clean energy production.

A copy of the statement is available in the World Bank website at:

<http://www.web.worldbank.org/WBSITE/EXTERNAL/DEVCOMMEXT/0,,menuPK:60001657~pagePK:64001141~piPK:64001176~theSitePK:277473,00.html>

Overseas Aid

Mr Rob Wilson: To ask the Secretary of State for International Development what the monetary value was of aid received by each country in receipt of UK official development assistance in the last year for which figures are available. [53141]

Mr Duncan: Details of estimated UK Official Development Assistance (ODA) are published on the Department of International Development's (DFID's) website at:

<http://www.dfid.gov.uk/About-DFID/Finance-and-performance/Aid-Statistics/>

This includes a breakdown of all countries in receipt of UK ODA. Final 2010 ODA figures will be published later in the year in DFID's publication 'Statistics on International Development' which will also be available on DFID's website.

Mr Rob Wilson: To ask the Secretary of State for International Development what the cost to the public purse was of the UK's official development assistance in the last year for which figures are available. [53142]

Mr Duncan: UK Official Development Assistance (ODA) in 2010 is estimated at £8.4 billion. Details of estimated 2010 ODA are published on the Department for International Development (DFID) website at:

<http://www.dfid.gov.uk/About-DFID/Finance-and-performance/Aid-Statistics/>

Final UK ODA figures will be published later in the year in DFID's publication 'Statistics on International Development' which will also be posted on DFID's website.

Supermarkets

Alison McGovern: To ask the Secretary of State for International Development whether he has had any meetings since September 2010 with representatives of (a) Tesco, (b) Sainsbury's, (c) Asda, (d) Morrisons and (e) trade associations of which these companies are members. [52213]

Mr O'Brien: Department for International Development Ministers have not met representatives of Tesco, Sainsbury's, Asda, Morrisons or their trade associations since September 2010. Details of Ministers' meetings are published quarterly and are available on the DFID website:

<http://www.dfid.gov.uk/About-DFID/Our-organisation1/Ministers/>

DFID officials have met with representatives from the Ethical Trading Initiative and attended their Annual General Meeting in January 2011. Tesco, Sainsbury's and Asda are members of the Ethical Trading Initiative.

Turks and Caicos Islands: Finance

Andrew Rosindell: To ask the Secretary of State for International Development what estimate he has made of the public revenue for the Turks and Caicos islands for each of the next five years. [52076]

Mr Duncan: The Governor of the Turks and Caicos Islands signed off the latest budget on 5 April. This included the following public revenue projections:

	US\$ million
2011-12	163
2012-13	170
2013-14	190

There are currently no formal estimates for 2014-15 and 2015-16.

Andrew Rosindell: To ask the Secretary of State for International Development what proportion of the Turks and Caicos budget is currently assigned to benefit and welfare payments. [52077]

Mr Duncan: The proportion of the 2011-12 budget recently approved in the Turks and Caicos Islands assigned for social welfare payments is 0.61%.

Andrew Rosindell: To ask the Secretary of State for International Development how much money was spent from the public purse on benefit and welfare payments in Turks and Caicos in each of the last five years. [52078]

Mr Duncan: According to as yet unaudited accounts, the spending by the Government of the Turks and Caicos Islands on social welfare payments, in US\$, over the past five years was as follows:

	US\$
2006-07	1,795,187
2007-08	2,563,296
2008-09	2,146,501
2009-10	1,769,572
2010-11	1,513,515

The UK taxpayer has not financed any of this expenditure.

Voluntary Work: Young People

Chris Ruane: To ask the Secretary of State for International Development what steps he is taking to ensure that students accepted on International Citizen Service overseas projects are drawn from (a) a wide geographical area and (b) a balance between state and private education. [52326]

Mr Andrew Mitchell: The pilot phase of International Citizen Service is being implemented by a consortium of experienced development volunteering agencies, who are required to ensure that volunteers are drawn from all regions of the UK, and from low, middle and higher household income groups.

Chris Ruane: To ask the Secretary of State for International Development how much funding his Department has allocated to Voluntary Service Overseas in each of the last five years; and how much funding his Department expects to allocate in each of the next five years. [52391]

Mr O'Brien: Details of the Department for International Development's (DFID's) support to Civil Society Organisations, including Voluntary Services Overseas (VSO), are published in Statistics on International Development (SID) which is available in the House Library and online at

www.dfid.gov.uk

Figures for 2005-06 to 2009-10 are reproduced as follows. Provisional 2010-11 figures will be published in the annual report in July.

<i>Financial year</i>	<i>DFID support to VSO (£ million)</i>
2005-06	28.83
2006-07	28.8
2007-08	29.35
2008-09	30.9
2009-10	34.12

VSO have a Strategic Grant Arrangement with DFID which runs until 2013-14. Funding approved under this agreement is:

<i>Financial year</i>	<i>DFID support to VSO (£ million)</i>
2011-12	30.00
2012-13	26.00
2013-14	22.00

Over the three years of this Strategic Grant Arrangement, VSO will look to diversify and widen its funding base, thereby increasing income and lessening its dependence on DFID support.

VSO are also in receipt of funding of £8.37 million in 2011 for the pilot phase of the International Citizen Service programme.

EDUCATION

CAFCASS

Kelvin Hopkins: To ask the Secretary of State for Education (1) how many cases in which the Children and Family Courts Advisory and Support Service has intervened were not resolved after (a) 12 months, (b) 24 months and (c) 36 months on the most recent date for which figures are available; [53764]

(2) what the average time taken between the first assessment of a child and the allocation of a case in each Children and Family Courts Advisory and Support Service region was in the most recent date for which figures are available. [53762]

Tim Loughton: The Department for Education does not hold this information. This is an operational matter for which CAFCASS is responsible; I have asked CAFCASS's chief executive, Anthony Douglas, to write to the hon. Member with this information, and a copy of his reply will be placed in the House Libraries.

Priti Patel: To ask the Secretary of State for Education (1) how many (a) fathers and (b) mothers have been denied access to their children as a result of a decision or recommendation from Children and Family Court Advisory and Support Service in each of the last five years; [53861]

(2) how many (a) fathers and (b) mothers have (i) successfully and (ii) unsuccessfully challenged a final decision by Children and Family Court Advisory and Support Service to prevent access to a child in each of the last five years. [53862]

Tim Loughton: Decisions regarding contact with children are made by the family courts rather than by Cafcass. The court will make a decision within the framework on the Children Act 1989 which requires the court to consider the best interests of the child in each particular case. The court may seek advice from Cafcass or other agencies on an issue but is not bound to follow any recommendations in the report.

Neither the Department for Education nor Cafcass collects information on whether the courts follow the recommendations in Cafcass reports, or on the nature of those recommendations.

Priti Patel: To ask the Secretary of State for Education what recent assessment he has made of the quality of reports provided by Children and Family Court Advisory and Support Service to family courts. [53864]

Tim Loughton: The Department for Education does not assess the quality of individual reports provided by Cafcass to the family courts. However, the quality of the service which Cafcass provides is assessed by Ofsted.

Children: Mental Health

Chris Ruane: To ask the Secretary of State for Education whether his Department holds information on levels of emotional intelligence in children. [53706]

Mr Gibb: The only information held by the Department on the levels of emotional intelligence in pupils comes from the two evaluations of the Social and Emotional Aspects of Learning programme which were published in 2008 and 2010. These evaluations included measures of pupils' social and emotional skills, mental health difficulties, and behaviour problems.

A national evaluation of SEAL in secondary schools conducted by Manchester University was published in October last year. The evaluation can be accessed at:

<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DFE-RR049>

An evaluation of primary SEAL was published in 2008. The review can be accessed at:

<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DCSF-RB064>

Departmental Procurement

Jon Trickett: To ask the Secretary of State for Education pursuant to the answer of 5 April 2011, *Official Report*, columns 767-68W, on departmental procurement, who appointed the Chair of the National Curriculum review expert panel; what the monetary value is of his contract with the Department; and how this was determined. [53101]

Mr Gibb [holding answer 28 April 2011]: The decision to appoint Mr Tim Oates as Chair of the National Curriculum Review Expert Panel was made by the

Secretary of State for Education, my right hon. Friend the Member for Surrey Heath (Michael Gove), on the advice of officials. Mr Oates has been engaged to carry out this role through a part-time secondment to the Department for Education from his current employer, Cambridge Assessment. Mr Oates's rate of remuneration for carrying out this role matches that which he receives from Cambridge Assessment for his work there.

Employment Agencies

Mike Freer: To ask the Secretary of State for Education how much his Department spent on (a) recruitment agency fees, (b) outplacement agency fees for displaced or redundant staff and (c) staff training in the last year for which figures are available. [51399]

Tim Loughton: The information for the Department is set out in the following table:

Category of spend	Cost (£)
Recruitment Agency Fees	0
Outplacement Agency Fees	7,657
Staff training	874,448

Free Schools

Lisa Nandy: To ask the Secretary of State for Education (1) what estimate he has made of the cost to (a) his Department and (b) the public purse of independent schools adopting free school status; [53239]

(2) whether limits will be placed on the catchment area for an independent school acquiring free school status; [53240]

(3) whether independent schools will be required to admit a defined proportion of local pupils if they acquire free school status; [53241]

(4) whether independent schools which become free schools will be permitted to retain their charitable status; [53242]

(5) whether any admissions requirements will be applied to independent schools which are given free school status; [53243]

(6) whether any differences exist in the applications procedure for free school status followed by maintained schools and independent schools; [53244]

(7) whether he plans to place a limit on the number of independent schools which may be given free school status; [53245]

(8) what mechanism his Department has put in place to process expressions of interest by independent schools seeking to become free schools. [53246]

Mr Gibb: We will be assessing Free School applications against the criteria that have been published in the 'how to apply' form, which is available on the Department's website:

<http://education.gov.uk/freeschools/a0074965/how-to-apply-to-open-a-free-school>

When assessing Free School applications from independent schools, we will also take into account additional factors as set out in the 'how to apply' form. We have not set a limit on the number of independent schools which can become Free Schools, nor separately estimated the associated costs.

All Free Schools must be charities and are required to comply with the School Admissions Code. Maintained schools cannot apply to become Free Schools.

Further Education

Ian Mearns: To ask the Secretary of State for Education how many young people entered formal post-16 education in (a) further education colleges and (b) school sixth forms in each of the last five academic years. [51591]

Mr Gibb: Data on participation in education post-16 are published in a Department for Education (DfE) Statistical First Release (SFR) entitled 'Participation in Education, Training and Employment by 16-18 Year Olds in England'.

The following table shows the numbers and proportions of the cohort of young people of academic age 16 (the vast majority of whom will be in their first year of post-compulsory education) enrolled in various institution types for the last five years for which data are available:

	End 2005		End 2006		End 2007		End 2008		End 2009	
	No.	%	No.	%	No.	%	No.	%	No.	%
Maintained schools	195,100	29.7	202,200	30.3	204,000	30.4	209,300	31.6	210,000	33.0
Academies and city technology colleges	3,200	0.5	3,700	0.6	5,500	0.8	8,300	1.3	12,500	2.0
Independent schools	38,000	5.8	39,300	5.9	39,100	6.1	40,200	6.1	38,700	6.1
Sixth form colleges	69,700	10.6	71,600	10.7	72,800	10.9	73,500	11.1	75,500	11.9
General FE, tertiary and specialist colleges	214,100	32.6	223,700	33.5	230,000	34.3	234,300	35.4	228,900	35.9
Higher education institutions	4,000	0.6	3,800	0.6	2,900	0.4	2,600	0.4	2,400	0.4

Note:

The table excludes young people who were undertaking work based education and training (largely apprenticeships), employer funded training, or "other education and training" with a private training provider; numbers and proportions estimated to be participating in those ways without also being enrolled in a college or school at end 2009 were 28,900 (4.5%), 6,400 (1.0%) and 2,200 (0.3%) respectively.

Further Education: Disadvantaged

Andy Burnham: To ask the Secretary of State for Education if he will take steps to ensure that further

education and sixth form colleges have access to data which enables them to assess whether pupils aged 16 who enrol in September 2011 (a) were in receipt of a free school meal in school year 11, (b) are

from a household with a low income, (c) are in care and (d) are in a household in receipt of income support. [53116]

Mr Gibb [*holding answer 3 May 2011*]: We will take steps to ensure that schools, colleges and training providers have access to information that will allow them to identify those young people who should receive bursaries of £1,200 a year. Beyond this group, further education and sixth form colleges will be able to exercise their discretion to award 16-19 bursaries to young people—including to young people who were in receipt of free school meals in year 11—in ways that best fit local needs and circumstances.

Andy Burnham: To ask the Secretary of State for Education pursuant to his statement of 28 March 2011, *Official Report*, column 54 on post-16 education funding, what his source is for the figure of 12,000 16 to 18 year-olds who are in care, or are care leavers and in receipt of income support; and if he will make a statement. [53200]

Mr Gibb [*holding answer 3 May 2011*]: Education maintenance allowance data suggests that there are currently around 12,000 young people participating in education and training in the vulnerable groups that will be eligible for a £1,200 bursary. This equates to around 1% of 16 to 19-year-olds in full-time education or training.

Mental Health

Chris Ruane: To ask the Secretary of State for Education what research his Department has (a) commissioned and (b) evaluated on the effect of levels of emotional intelligence on (i) behavioural, (ii) cognitive and (iii) biological and physical development. [53690]

Mr Gibb: Under the Department for Children, Schools and Families two evaluations were commissioned of the Social and Emotional Aspects of Learning programme. These were published in 2008 and 2010, and included measures of pupils' social and emotional skills, mental health difficulties, and behaviour problems. No quantitative measurements were included of cognitive, biological or physical development.

A national evaluation of SEAL in secondary schools conducted by Manchester university, which was published in October last year, found that SEAL failed to impact significantly upon pupils' social and emotional skills, general mental health difficulties, pro-social behaviour or behaviour problems. The evaluation can be accessed at:

<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DFE-RR049>

An evaluation of primary SEAL was published in 2008, focusing on small group work, found mixed evidence for the effectiveness of the small group work. The review can be accessed at:

<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DCSF-RB064>

Primary Education: Literacy

Mr Sanders: To ask the Secretary of State for Education what funding his Department plans to provide for the Reading Recovery programme up to 2015; and if he will make a statement. [53747]

Mr Gibb: Funding for the Every Child programmes has been mainstreamed as part of the Dedicated Schools Grant, and will be protected at current levels for the next three years up to 2014. This includes Every Child a Reader (ECaR), which has Reading Recovery at its core.

In addition, as set out in the recent Green Paper, "Support and aspiration: a new approach to special educational needs and disability", the Government will provide modest funding to facilitate the transition to the open market of the ECaR programme over the next three years. By 2015 the intention is that the programme should be operating without central Government support.

Students: Finance

Nic Dakin: To ask the Secretary of State for Education how much funding he has allocated to (a) £1,200 bursaries, (b) students currently in receipt of education maintenance allowance and (c) students eligible for free school meals from the discretionary learner support fund. [51642]

Mr Gibb [*holding answer 26 April 2011*]: We expect the cost of providing a £1,200 bursary to the most vulnerable young people to be just under £15 million in 2011/12. In addition, £101.1 million in 2011/12 will be allocated to schools, colleges and training providers for them to make discretionary awards from the 16-19 Bursary Fund, including to young people who were eligible for free school meals in year 11. Transitional support for young people currently in receipt of education maintenance allowance is expected to cost £194.2 million in 2011/12.

Unemployment: Coventry

Mr Jim Cunningham: To ask the Secretary of State for Education if he will meet the Secretary of State for Work and Pensions to discuss the effects of the Government's policies on non-departmental public bodies in the education sector on the unemployment rate in Coventry. [53634]

Tim Loughton [*holding answer 3 May 2011*]: I refer the hon. Member to the reply given on 24 March 2011, *Official Report*, column 1262W. The Department is still working through the details of the proposed changes to the non-departmental bodies for which it is responsible, it cannot say, at this stage, what effect the creation of the agencies will have on the unemployment rate in Coventry. Once the position is clear my right hon. Friend, the Secretary of State for Education would be happy to meet with the Secretary of State for Work and Pensions, should that be appropriate.

HEALTH

Abortion

Mr Amess: To ask the Secretary of State for Health what research his Department has (a) undertaken and (b) evaluated on (i) the earliest point in its development an unborn child will experience pain, (ii) the earliest gestational age at which an unborn child may be capable of being born alive, (iii) the number of occasions when an unborn baby is wrongly diagnosed as being handicapped and is subsequently born without disability or handicap and (iv) the suicide rate among women who have had an abortion since May 2010; and if he will make a statement. [53011]

Anne Milton: The Department commissioned the Royal College of Obstetricians and Gynaecologists to update its 1997 report 'Fetal Awareness, Review of Research and Recommendations for Practice', which was published in 2010, a copy of which has been placed in the Library. After reviewing the available evidence, the working party concluded that before 24 weeks gestation the nervous system has not developed sufficiently to allow the foetus to experience pain.

The British Association of Perinatal Medicine published guidance in October 2008 entitled 'The Management of Babies born Extremely Preterm at less than 26 weeks of gestation: A Framework for Clinical Practice at the time of Birth,' which is based on the latest evidence and best practice, a copy of which has been placed in the

Library. The guidance states that if gestational age is certain and less than 23 weeks it would be considered in the best interests of the baby for resuscitation not to be carried out.

Data are not available on suicides following abortion, as a death certificate does not record whether a woman has had an abortion and death records are not routinely linked to other medical records. However, there is currently no strong evidence to suggest that women who have had an abortion are high risk for suicide.

The Department does not collect information on the number of occasions when an unborn baby is diagnosed as being handicapped and is subsequently born without disability or handicap.

Mr Amess: To ask the Secretary of State for Health which private sector clinics and hospitals provide abortions; how many beds there are in each facility; whether each facility is approved for (a) surgical day care abortions with or without general anaesthetic and (b) late abortions; and what the name is of the proprietor of each facility. [53012]

Anne Milton: The Secretary of State has the power under Section 1(3) of the Abortion Act 1967 to approve premises for the treatment of termination of pregnancy. Information on those independent sector clinics that have been approved to carry out termination of pregnancy is shown in the following table.

The Department no longer routinely collects information on how many beds there are in each facility.

<i>Name of clinic</i>	<i>Proprietor</i>	<i>Undertakes surgical day care abortions with or without general anaesthetic</i>	<i>Performs terminations up to 24 weeks gestation</i>
BMI The Blackheath Hospital	BMI Healthcare Ltd	Yes	—
BMI The Cavell Hospital (North London)	BMI Healthcare Ltd	Yes	—
BMI The Chaucer Hospital	BMI Healthcare Ltd	Yes	—
BMI The Clementine Churchill Hospital	BMI Healthcare Ltd	Yes	—
BMI The Droitwich Spa Hospital	BMI Healthcare Ltd	Yes	—
BMI Gisburne Park Hospital	BMI Healthcare Ltd	—	—
BMI The Park Hospital	BMI Healthcare Ltd	Yes	—
BMI Three Shires Hospital	Three Shires Hospital Charity	—	—
BMI The Sandringham Hospital	BMI Healthcare Ltd	Yes	—
BPAS Basingstoke	BPAS	—	—
BPAS Blackdown Clinic	BPAS	Yes	—
BPAS Cannock Clinic	BPAS	Yes	—
BPAS Central Birmingham Clinic	BPAS	Yes	Yes
BPAS Central London Clinic	BPAS	—	—
BPAS Coventry Clinic	BPAS	—	—
BPAS Danum Lodge Clinic	BPAS	—	—
BPAS Dean Park Clinic	BPAS	—	—
BPAS Hastings	BPAS	Yes	Yes
BPAS High Wycombe Unit	BPAS	Yes	Yes
BPAS Leeds Clinic	BPAS	—	—
BPAS Leigham Clinic	BPAS	—	—
BPAS Luton Clinic	BPAS	—	—
BPAS Merseyside Clinic	BPAS	—	—
BPAS Milton Keynes DCU	BPAS	Yes	Yes
BPAS Newcastle Clinic	BPAS	—	—
BPAS North London Day Surgery Unit	BPAS	—	—
BPAS Peterborough Clinic	BPAS	Yes	—
BPAS Robert Clinic	BPAS	—	—
BPAS Rosslyn Clinic	BPAS	Yes	—
BPAS Stafford Clinic	BPAS	—	—

<i>Name of clinic</i>	<i>Proprietor</i>	<i>Undertakes surgical day care abortions with or without general anaesthetic</i>	<i>Performs terminations up to 24 weeks gestation</i>
BPAS Swindon Clinic	BPAS	Yes	—
BPAS Tamworth Daycare Unit	BPAS	—	—
BPAS Torquay North	BPAS	Yes	—
BPAS Torquay Treatment Unit	BPAS	—	—
BPAS Wistons Clinic	BPAS	Yes	—
BPAS Wolverhampton Day Care Unit	BPAS	Yes	—
Central Wolverhampton Clinic (Calthorpe)	Fraterdrive Ltd	Yes	—
South Manchester Private Clinic	Fraterdrive Ltd	Yes	—
Fraterdrive Manchester	Fraterdrive Ltd	—	—
Stoke Pregnancy Advisory Service	Fraterdrive Ltd	—	—
Fraterdrive Bolton	Fraterdrive Ltd	—	—
The Portland Hospital	HCA International Ltd	Yes	—
The Wellington Hospital	HCA International Ltd	—	—
Marie Stopes Blackpool Centre	Marie Stopes International	—	—
Marie Stopes Bristol Centre	Marie Stopes International	Yes	—
Marie Stopes Canterbury Centre	Marie Stopes International	Yes	—
Marie Stopes Crawley Centre	Marie Stopes International	—	—
Marie Stopes Essex Centre	Marie Stopes International	Yes	Yes
Marie Stopes House	Marie Stopes International	Yes	—
Marie Stopes Leeds Centre	Marie Stopes International	Yes	—
Marie Stopes Maidstone Centre	Marie Stopes International	Yes	—
Marie Stopes Manchester International Centre	Marie Stopes International	Yes	—
Marie Stopes North London Centre, Edgware	Marie Stopes International	Yes	—
Marie Stopes Preston Centre	Marie Stopes International	—	—
Marie Stopes Reading Centre	Marie Stopes International	Yes	—
Marie Stopes South London Centre	Marie Stopes International	Yes	Yes
Marie Stopes Wakefield Centre	Marie Stopes International	—	—
Marie Stones West London Centre	Marie Stopes International	Yes	Yes
Nottingham NHS Treatment Centre	Nations Health Care Ltd	Yes	Yes
Nuffield Health Hereford Centre	Nuffield Health	Yes	—
Nuffield Health Ipswich Centre	Nuffield Health	Yes	—
Nuffield Health Leicester Hospital	Nuffield Health	Yes	—
Nuffield Health Newcastle upon Tyne Hospital	Nuffield Health	Yes	—
Nuffield Health North Staffordshire Hospital	Nuffield Health	Yes	—
Nuffield Health Plymouth Hospital	Nuffield Health	Yes	—
Nuffield Health Shrewsbury Hospital	Nuffield Health	Yes	—
Nuffield Health The Manor Hospital	Nuffield Health	Yes	—
Southampton NHS Treatment Centre	Partnership Health Group Ltd	Yes	—
Bodmin NHS Treatment Centre	Ramsay Health Care UK Operations Ltd	Yes	—
Duchy Hospital	Ramsay Health Care UK Operations Ltd	Yes	—
Fitzwilliam Hospital	Ramsay Health Care UK Operations Ltd	Yes	—
Pinehill Hospital	Ramsay Health Care UK Operations Ltd	Yes	Yes
Rivers Hospital	Ramsay Health Care UK Operations Ltd	Yes	—
Spire Alexandra Hospital	Spire Healthcare Ltd	Yes	—
Spire Bristol Hospital	Spire Healthcare Ltd	Yes	—
Spire Bushey Hospital	Spire Healthcare Ltd	Yes	—
Spire Cheshire Hospital	Spire Healthcare Ltd	Yes	—
Spire Hull and East Riding Hospital	Spire Healthcare Ltd	Yes	—
Spire Leicester Hospital	Spire Healthcare Limited	Yes	—
Spire Murrayfield Hospital	Spire Healthcare Ltd	Yes	Yes
Spire Washington Hospital	Spire Healthcare Ltd	Yes	—
The Calthorpe Clinic	The Calthorpe Clinic Ltd	Yes	Yes

Source:

Department of Health Abortion Act 1967 Application for Approval form

Alzheimer's Disease: Carers

Simon Kirby: To ask the Secretary of State for Health what training and support the NHS makes available for carers to improve care for those living with Alzheimer's.

[53256]

Paul Burstow: This Government recognises the valuable role played by people who care for those living with Alzheimer's.

While there is no specific provision available for carers of those living with Alzheimer's, the Government's updated Carers Strategy, "Recognised, valued and supported: Next steps for the Carers Strategy", sets out the overarching priority areas for action over the next

four years to support all carers in their caring role, which may include those caring for someone with Alzheimer's. This includes the provision of personalised support for carers and those they support and supporting carers to remain mentally and physically well.

The Department is investing additional funding of £400 million to the national health service over the next four years to enable more carers to take breaks from their caring responsibilities, which may include carers of those living with Alzheimer's.

The "Operating Framework for the NHS in England 2011-12" says that:

"It has not always been apparent how funding to support carers has been used in each PCT. The spending review has made available additional funding in PCT baselines to support the provision of breaks for carers. PCTs should pool budgets with local authorities to provide carers' breaks, as far as possible, via direct payments or personal health budgets. For 2011-12, PCTs should agree policies, plans and budgets to support carers with local authorities and local carers' organisations, and make them available to local people."

Ambulance Services: Greater London

Ms Abbott: To ask the Secretary of State for Health how much funding has been allocated to the London Ambulance Service during the comprehensive spending review period; what assessment he has made of the effect of reductions in the budget on (a) the number of frontline jobs and (b) standards of care; and if he will make a statement. [52989]

Mr Simon Burns: The information requested is not held centrally. The majority of funding for Ambulance Services is through General Allocations. Primary care trust (PCT) recurrent revenue allocations are not broken down by service or policy area. It is for PCTs to commission services to meet the healthcare needs of their local populations, taking account of local and national priorities.

Every penny saved should be reinvested in improving patient care and the national health service must cut back on bureaucracy. Efficiency savings must not impact adversely on patient care.

Cancer

Mrs Hodgson: To ask the Secretary of State for Health what assessment he has made of the average stage of cancer at the time of diagnosis for people aged (a) 49 years and under, (b) 50 to 59, (c) 60 to 69, (d) 70 to 79 and (e) over 80 years in each (i) cancer network and (ii) primary care trust in the last year for which figures are available; and if he will make a statement. [53349]

Paul Burstow: No assessment has been made of the average stage of cancer at the time of diagnosis by age, cancer network and primary care trust. We recognise that there are gaps in the data recorded about cancer patients, including incomplete recording of data on the stage of cancer at the time of diagnosis.

Collecting and analysing staging data will enable us to monitor progress in improving cancer survival rates and to target interventions more effectively.

'Improving Outcomes: A Strategy for Cancer' (January 2011), a copy of which has already been placed in the Library, said that the Department will take action to improve the recording of cancer stage. The 'Operating Framework for the NHS in England 2011/12' has made

it clear that providers are expected to include staging data in the information they feed to cancer registries. The core service specification for cancer registries for 2011-12 is being amended to require registries to improve their recording of stage to the level of the current best.

Mrs Hodgson: To ask the Secretary of State for Health what support his Department is providing to the National Cancer Equality Initiative for the purposes of ensuring that measures to reduce inequality are embedded into all aspects of cancer service delivery. [53350]

Paul Burstow: "Improving Outcomes: A Strategy for Cancer" (January 2011) makes clear that tackling health inequalities is essential to improving outcomes and achieving cancer survival rates which match the best performing countries in the world. A copy has already been placed in the Library.

The strategy makes a commitment to deliver survival rates as good as the European average by 2014-15. The national health service will have to embed measures to reduce inequalities in cancer care in order to deliver on this commitment. National support is provided and funded through the National Cancer Intelligence Network, particularly the Equality Portal which provides localised data on the equality metrics, and the National Cancer Action Team. A programme of work, based on the commitments set out in the strategy, has been agreed for 2011-12.

Mrs Hodgson: To ask the Secretary of State for Health (1) what recent assessment he has made of proposals by the National Cancer Intelligence Network to analyse existing cancer data sets according to the rurality of a patient's home address; [53351]

(2) what recent assessment he has made of proposals by the National Cancer Intelligence Network to collect information on (a) patient disability and (b) patients' sexual orientation; and if he will make a statement. [53352]

Paul Burstow: The National Cancer Intelligence Network (NCIN) published a data briefing in April 2011 describing the effect of rurality on cancer incidence and mortality. During 2011-12 the NCIN will be investigating what further analyses are practical with regard to rurality and cancer, in particular relating to access to specialist treatment services such as radiotherapy.

The recent results of the national Cancer Patient Experience survey 2010 provided invaluable insights into equality issues. Patients were asked about any disabilities they had. For the first time we also asked patients about their sexual orientation. People with a disability or long term condition reported a less positive experience than other patients across a wide range of issues measured in the survey. This was particularly marked for patients with a mental health condition or a learning disability. Non-heterosexual patients reported less positive experience, especially in relation to communication and being treated with respect and dignity.

Mrs Hodgson: To ask the Secretary of State for Health what assessment he has made of the National Cancer Intelligence Network's cancer equalities portal; and if he will assess how his Department is using the portal to increase equality in the delivery of cancer care. [53353]

Paul Burstow: The National Cancer Intelligence Network (NCIN) established the Equalities Portal in March 2010. The portal brings together a range of equality metrics, with the aim of informing action to tackle inequalities in cancer services. Since its launch the portal has been accessed around 2,000 times. The portal is available on the internet to professionals and the public, and has been widely advertised at national and local events. The portal has also been referenced in national and local guidance (such as the Local Awareness and Early Diagnosis Baseline Guide). An accompanying "Evidence Guide" published by the NCIN in November 2010 has been downloaded 170 times.

Cancer: Drugs

Ms Abbott: To ask the Secretary of State for Health what assessment he has made of levels of variation in the way the interim Cancer Drugs Fund has been spent and administered by different NHS trusts. [52988]

Paul Burstow: The Department put in place arrangements to monitor use of the £50 million additional funding for cancer drugs provided in 2010-11.

In addition, we have developed 'Guidance to support operation of the Cancer Drugs Fund in 2011-12'. In doing so, we have drawn on strategic health authorities' experience of operating the arrangements put in place for allocating the additional funding made available in 2010-11, alongside feedback gathered during the public consultation on our proposals for the Cancer Drugs Fund. A copy has already been placed in the Library.

The document 'The Cancer Drugs Fund: Government response to consultation' was published on 1 April 2011 alongside the launch of the fund. A copy has been placed in the Library.

Cancer: Health Services

Dan Jarvis: To ask the Secretary of State for Health what plans he has for future commissioning of the publication of cancer outcome data which are not included in the NHS outcome frameworks. [53236]

Paul Burstow: We are committed to improving outcomes for all cancers and "Improving Outcomes: A Strategy for Cancer" (January 2011), a copy of which has already been placed in the Library, set out how we will achieve this. The Office for National Statistics routinely publishes data on cancer mortality and survival rates. There is a range of other outcomes data that we have previously published and which we intend to publish in the future. For example, the patient experience survey in 2010 included outcomes data in relation to patient experience, and we intend repeating this survey in 2011-12, but the indicators have yet to be determined. We are likely to also publish cancer outcomes data in relation to the Public Health Outcomes Framework.

Working with a number of other countries, we are running the International Cancer Benchmarking Partnership project which is collecting international cancer outcomes data. Some of the results have already been published and we expect to publish more data in due course.

The Strategy also includes a commitment to publish annual reports to measure progress on implementation and on improving cancer outcomes.

Cancer: Research

Natascha Engel: To ask the Secretary of State for Health how much funding his Department allocated to research into cancer in each of the last five years. [52716]

Paul Burstow: The most recent available figures for departmental expenditure on cancer research are shown in the following table:

	<i>£ million</i>
2005-06	168
2006-07	161
2007-08	159
2008-09	134
2009-10	91

Dan Jarvis: To ask the Secretary of State for Health what contribution (a) the National Commissioning Board and (b) GP consortia will make to promoting cancer research under his proposals for NHS reform. [53234]

Paul Burstow: The Department is fully committed to clinical and applied research into cancer.

Clause 13 of the Health and Social Care Bill provides a power that the National Health Service Commissioning Board or a commissioning consortium may conduct, commission or assist the conduct of research into any matters relating to the causation, prevention, diagnosis or treatment of illness.

Clause 19 of the Bill includes a duty that the Board must, in the exercise of its functions, have regard to the need to promote research on matters relevant to the health service, and the use in the health service of evidence obtained from research.

Cataracts: Surgery

Frank Dobson: To ask the Secretary of State for Health how many cataract operations were carried out on NHS patients by the private sector in each year since 1996-97 for which figures are available. [54057]

Mr Simon Burns: The following table provided by the Information Centre for health and social care shows the number of finished consultant episodes (FCEs) for cataract surgery performed by independent sector providers, commissioned by the national health service, for the years 2003-04 to 2009-10. Data are not available prior to 2003-04.

	<i>Total episodes¹</i>
2003-04	120
2004-05	559
2005-06	124
2006-07	6,964
2007-08	7,462
2008-09	11,500
2009-10	16,370

¹ The figures do not represent the number of different patients, as the same person may be admitted on more than one occasion.

Note:

Changes to the figures over time should be interpreted in the context of improvements in data quality and coverage (particularly in earlier years), improvements in coverage of independent sector activity (particularly from 2006-07) and changes in NHS practice.

Clinical Trials

Mrs Hodgson: To ask the Secretary of State for Health what recent assessment he has made of the level of equality in access to clinical trials; and what steps he is taking to increase access for certain patient groups. [53355]

Mr Simon Burns: The Department has not made any such assessment. The National Institute for Health Research (NIHR) Clinical Research Network (CRN) provides health service infrastructure to support clinical trials and other well designed studies in the national health service in England. Currently 97% of NHS trusts are recruiting into NIHR CRN studies.

The Government are committed to opening up information about clinical trials so that patients can find out about trials that may be relevant to their condition. The NIHR is developing a web-based UK Clinical Trials Gateway. It will present, in accessible form, information about trials conducted in the United Kingdom. By 2012, the Gateway will make it easy for patients, their doctors and carers, friends and families to see what a trial is about, where it is taking place, and who is running it. It will help patients to join in clinical trials if they are suitable and choose to do so with full information and advice.

The NIHR encourages patients and the public to be actively involved in all NIHR-funded health and social care research. The NIHR funds Involve which promotes active public participation in NHS, public health and social care research to improve the way that research is prioritised, commissioned, undertaken, communicated and used.

Clostridium

Mr Virendra Sharma: To ask the Secretary of State for Health what estimate he has made of the proportion of patients treated for clostridium difficile who experience a recurrence of symptoms; what research he has evaluated on any link between recurrence and reinfection; and if he will make a statement. [53157]

Paul Burstow: Data on recurrences of *Clostridium difficile* infection are not collected centrally. The symptoms of initial infection, recurrence of infection and re-infection is similar. Differentiation between recurrence of infection and re-infection requires culture and characterization of the causative strain(s) of *Clostridium difficile*. This is not routinely undertaken, as diagnoses are often based on the detection of *Clostridium difficile* toxins, rather than microbiological culture. However, studies typically show that approximately a quarter of individuals with *Clostridium difficile* Infection experience a recurrence of their symptoms. In about half of these recurrences a different strain (ie re-infection) is the cause, with the others due to relapse from the original strain. The best solution is to prevent these infections by adhering to the Department of Health/Health Protection Agency guidance on managing this infection *Clostridium difficile* infection: How to deal with the problem. A copy of the guidance has already been placed in the Library and is available at:

www.hpa.org.uk/web/HPAwebFile/HPAweb_C/1232006607827

Dementia: Research

Simon Kirby: To ask the Secretary of State for Health (1) if he will prioritise pre-clinical and basic research into cause, diagnosis and early stage treatment when allocating funding for research into dementia; [53252]

(2) whether he has any plans to reallocate dementia research funding between research bodies; [53253]

(3) what plans he has to take forward the work of the Ministerial Advisory Group on Dementia Research after its conclusion. [53254]

Paul Burstow: Dementia is a research priority for the Government and the National Institute for Health Research (NIHR) has issued a themed call on dementia. This call extends across the translational pathway, covering the fields of cause, cure and care, including prevention.

The importance the Government places on dementia research has been reflected by the formation of the Ministerial Advisory Group on Dementia Research. This Group has now completed its work and produced a comprehensive set of proposals. These will be set out in a "Route Map for Dementia Research", to be published after the summer recess.

The Department funds research through the NIHR and the Department's Policy Research programme. It is not responsible for other research funding bodies.

Departmental Work Experience

Chi Onwurah: To ask the Secretary of State for Health what advice his Department provides to those wishing to (a) work as an intern, (b) undertake a work experience placement and (c) work as a volunteer in his Department. [52811]

Mr Simon Burns: The Department takes part in a number of schemes offering intern placements to students expressing an interest in working in government. The Summer Placement Scheme offers placements to those of different ethnic backgrounds and to those with disabilities. Last year, the Department had two summer interns from this programme. The Department also engages in an annual eight-week placement for NHS management trainees and last year we took on 10 trainees. There were also four student analysts and one finance student awarded short-term contracts to help enhance their work experience and aid their academic studies. All are offered support prior to, and after they arrive and feedback is provided on how well they performed during their time in the Department. Placements for these schemes are offered via universities, the national health service and the Cabinet Office who also provide a range of advice and attend career fairs to attract interest in working in government.

The Department has a work experience policy, which was published early this year. The policy sets out the criteria and processes that support setting up and managing work experience placements. Work experience placement requests are handled locally by managers in the Department.

The Department is not currently hosting any volunteers. The Department does have a policy of encouraging its own staff to engage in voluntary work outside the Department.

John Mann: To ask the Secretary of State for Health how many students from (a) the UK and (b) Bassetlaw constituency have been offered internships in his Department since 8 May 2010. [53209]

Mr Simon Burns: Since 8 May 2010, the Department recruited four analyst students on one year fixed term contracts and one finance student on a two month fixed term contract. The Department also took part in the annual Cabinet Office cohort led ethnic and disabled Summer Placement Schemes, recruiting two candidates to fulfil an eight week placement.

The Department also engages in an annual eight week placement for NHS management trainees. 10 national health service trainees worked in the Department during this time.

All of the placements were from the United Kingdom and our records show none lived in the Bassetlaw constituency.

General Practitioners: Telephone Services

Caroline Nokes: To ask the Secretary of State for Health how many 084 telephone numbers are in use by GP surgeries in (a) Hampshire and (b) Southampton. [52847]

Mr Simon Burns: The information requested is not held centrally. The Department does not require primary care trusts to have a record of those practices using 084 numbers.

Health Professions: Education

Mr Thomas: To ask the Secretary of State for Health how much funding was allocated for nursing, midwifery and other allied health professional education in each region in (a) 2009-10, (b) 2010-11 and (c) 2011-12; how much funding he expects to be so allocated in (i) 2012-13 and (ii) 2013-14; and if he will make a statement. [54084]

Anne Milton: Funding of education and training for nursing, midwifery and allied health professionals is issued to strategic health authorities (SHAs) through the multi professional education and training (MPET) budget. MPET is not ring-fenced by profession and it is the responsibility of SHAs to invest the budget to ensure the correct number of training places are available to meet the needs of the local population.

Health Professions: Higher Education

Mr Thomas: To ask the Secretary of State for Health how many places at each university in England there were for nursery, midwifery and other allied health professional education in (a) pre-registration education, (b) post-registration education, (c) continuing professional development in (i) 2009-10 and (ii) 2010-11; how many such places he expects there to be in (A) 2011-12, (B) 2012-13 and (C) 2013-14; and if he will make a statement. [54083]

Anne Milton: Information on nursing, midwifery and allied health professional places at universities is not collected by the Department. It is the responsibility of

strategic health authorities to individually manage contracts with higher education institutions based on local work force planning and education commissioning decisions.

Health Services: Equality

Mrs Hodgson: To ask the Secretary of State for Health what steps his Department is taking to encourage multi-disciplinary teams to undertake patient-level equality audits. [53356]

Paul Burstow: 'Reducing cancer inequality: evidence, progress and making it happen', the March 2010 report of the National Cancer Equality Initiative (NCEI), said that it would be good practice for multi-disciplinary teams (MDTs) to undertake equality audits, reflecting annually on their practice and documenting their findings. It set out plans to support this. 'Improving Outcomes: A Strategy for Cancer' (January 2011) said that patient characteristic profiles would be made available to MDTs and that, in future, MDT health equality audits would form part of the National Cancer Peer Review Programme.

The annual self-assessment for peer review, introduced this year, requires that MDTs answer the question "How many patients by equality characteristic (race, age and gender) were diagnosed/treated in the previous year?" as one of the MDT key themes covering the structure and function of the service.

Working with the National Cancer Intelligence Network and the National Cancer Action Team, NCEI is investigating what support might be provided to MDTs to undertake patient-level equality audits.

Health Services: Learning Disability

Mr Buckland: To ask the Secretary of State for Health (1) what discussions his Department have had with (a) the Department for Education, (b) the Department for Communities and Local Government, (c) the Local Government Association and (d) other organisations on adaptation of policies and procedures used in children's services for use with adults with profound and multiple learning disabilities; and if he will make a statement; [52856]

(2) what representations his Department has received on the adaptation of policies and procedures used in children's services for use with adults with profound and multiple learning disabilities; and if he will make a statement; [52857]

(3) what steps he is taking to ensure that policies and procedures used in children's services are adequately adapted for use with adults with profound and multiple learning disabilities; and if he will make a statement; [52858]

(4) what steps he is taking to (a) monitor and (b) assess the adaptation of policies and procedures used in children's services for use with adults with profound and multiple learning disabilities; and if he will make a statement. [52881]

Paul Burstow: Following the publication of Professor Mansell's report 'Raising Our Sights: services for adults with profound intellectual and multiple disabilities' which was commissioned by this Department, departmental officials have had general discussions with key partners,

including the Department for Education (DfE) and the Department for Communities and Local Government, regarding the report's recommendations. However, no discussion has taken place on the specific issue about adaptation of policies and procedures used in children's services for use with adults who have profound and multiple learning disabilities. Neither have we received any representations on this issue.

Departmental officials have worked closely with DfE officials to build the learning from the Valuing People Now employment work in to the Special Educational Needs and Disability Green Paper 'Support and aspiration: A new approach to special educational needs and disability'. The Green Paper focuses on improving employment and other life outcomes and takes forward learning from the Getting a Life project—aimed at young people with severe learning disabilities leaving education.

The Government's response to Professor Mansell's report highlighted our commitment to improving outcomes for people with profound and multiple learning disabilities.

Health Services: Oxfordshire

Nicola Blackwood: To ask the Secretary of State for Health how many (a) medical and (b) non-medical staff were employed by (i) John Radcliffe hospital, (iii) NHS Oxfordshire primary care trust and (iii) the NHS in Oxfordshire in each of the last five years. [52844]

Mr Simon Burns: The number of medical and non-medical staff employed by John Radcliffe hospital and Oxfordshire primary care trust (PCT) and the national health service in Oxfordshire in each of the last five years is shown in the following table:

NHS hospital and community health services: NHS staff in each specified organisation by main staff group as at 30 September each year

	2006	2007	2008	2009	Headcount 2010
<i>Total specified organisations:</i>	15,738	15,534	16,905	17,793	17,745
Medical and Dental staff	1,620	1,785	2,027	2,124	1,715
Non-Medical Staff	14,118	13,749	14,878	15,669	16,030
<i>Nuffield Orthopaedic Centre NHS Trust</i>	935	899	882	977	936
Medical and Dental staff	86	72	99	108	104
Non-Medical Staff	849	827	783	869	832
<i>Oxford Radcliffe Hospitals NHS Trust</i>	8,987	8,514	9,278	9,847	9,697
Medical and Dental staff	1,235	1,399	1,636	1,732	1,356
Non-Medical Staff	7,752	7,115	7,642	8,115	8,341
Oxfordshire PCT	2,329	2,355	2,812	2,706	2,810
Medical and Dental staff	95	98	83	77	55
Non-Medical Staff	2,234	2,257	2,729	2,629	2,755
<i>Oxfordshire Learning Disability NHS Trust</i>	1,129	1,147	1,164	1,166	1,112
Medical and Dental staff	31	32	29	27	29
Non-Medical Staff	1,098	1,115	1,135	1,139	1,083
<i>Oxfordshire and Buckinghamshire Mental Health NHS Foundation Trust</i>	2,358	2,619	2,769	3,097	3,229
Medical and Dental staff	173	184	180	180	171
Non-Medical Staff	2,185	2,435	2,589	2,917	3,058

Notes:

1. The new headcount methodology for 2010 data is not fully comparable with previous years data due to improvements that make it a more stringent count of absolute staff numbers. Headcount totals are unlikely to equal the sum of components. Further information on the headcount methodology is available in the Census publication here:

<http://www.ic.nhs.uk/statistics-and-data-collections/workforce/nhs-staff-numbers>

Headcount numbers in 2010 have also for some trusts been affected by clarification of the hosting arrangements for medical and dental staff.

2. Data Quality: The NHS Information Centre for health and social care seeks to minimise inaccuracies and the effect of missing and invalid data but responsibility for data accuracy lies with the organisations providing the data. Methods are continually being updated to improve data quality where changes impact on figures already published. This is assessed but unless it is significant at national level figures are not changed. Impact at detailed or local level is footnoted in relevant analyses.

Source:

The NHS Information Centre for Health and Social Care Non-Medical Workforce Census

Health Services: Staffordshire

Joan Walley: To ask the Secretary of State for Health how many bowel cancer screening appointments are outstanding at University Hospital North Staffordshire; what recent estimate has been made of average (a) waiting times and (b) times taken for results to be processed in respect of such appointments; and if he will make a statement. [52984]

Paul Burstow: The information is not held by the Department in the format requested. More information on the NHS Bowel Cancer Screening programme can be found on the website at:

www.cancerscreening.nhs.uk/bowel/index.html

Joan Walley: To ask the Secretary of State for Health what provision is available for (a) hip and (b) knee replacement operations at University Hospital North Staffordshire. [52985]

Mr Simon Burns: This information is not centrally collected. It is the responsibility of the local national health service to assess the effectiveness of the services it provides and ensure that appropriate services are accessible to its local population.

Joan Walley: To ask the Secretary of State for Health what the staffing establishment is for each grade of health professional in maternity services at University Hospital North Staffordshire; what the current vacancy list is; what assessment has been made of future resourcing needs; and if he will make a statement. [52986]

Mr Simon Burns: This information is not available in the format requested.

The number of medical staff in the Obstetrics and Gynaecology specialty and non-medical maternity services staff in the University Hospital of North Staffordshire NHS Trust as at 30 September 2010 is shown in the following table.

	<i>Headcount</i>
<i>Medical staff in Obstetrics and Gynaecology</i>	
Consultant	12
Registrar group	21
Senior house officer	1
Foundation year 2	1
House officer and foundation year 1	2
<i>All non-medical maternity services staff</i>	391
<i>Qualified maternity services staff</i>	
Modern matron	3
Manager	2
Registered midwife	240
Other 1st level nursing	59
Other 2nd level nursing	1
<i>Unqualified maternity services staff</i>	
Nursery nurse	5
Healthcare assistant	81

The University Hospital of North Staffordshire NHS Trust reported one vacancy for a consultant in the obstetrics and gynaecology specialty, and no vacancies for midwives in the March 2010 vacancies survey. The vacancies survey does not isolate any other obstetrics and gynaecology staff or non-medical maternity services staff. March 2010 is the latest available vacancy data.

It is the responsibility of local national health service organisations to plan and deliver a workforce appropriate to the needs of their local population, based on clinical need and sound evidence.

Hospitals: Closures

Ms Abbott: To ask the Secretary of State for Health what plans he has to bring forward legislative proposals to prevent NHS hospitals from closing. [52990]

Mr Simon Burns: We are taking the opportunity of a natural break in the passage of the Health and Social Care Bill to pause, listen, reflect and improve.

We will hold a series of events, led by the NHS Future Forum, to hear from the public, patients and a range of people working right at the frontline, and speak directly to those who lead our national health service,

Public accountability and patient involvement is one of the four areas we are focusing on during the Listening Exercise. We want to ensure we make the NHS properly accountable to the public, and put patient involvement at the heart of decision making. We will then decide how to take forward the Bill in a way that reflects what we have heard.

Under the proposals currently set out in the Health and Social Care Bill, commissioners would remain responsible for securing continued provision of NHS

services to meet the needs of their populations. We are proposing to support commissioners in this by introducing a comprehensive system of regulation at national level and additional regulation of 'designated services'.

Commissioners would consult with local communities and apply for local services to be 'designated', as subject to additional regulation, where the withdrawal of those services would impact adversely on health and where there are no alternative providers. This would ensure patients in England have continued access to designated services, wherever they happen to live.

Low Associates

Ms Abbott: To ask the Secretary of State for Health whether (a) he and (b) any other representative of the Department has hosted any meeting with (i) Low Associates and (ii) any client of Low Associates in the last six months. [53137]

Mr Simon Burns: Neither the Secretary of State for Health, my right hon. Friend the Member for South Cambridgeshire (Mr Lansley), or any of his ministerial colleagues have had any meetings with Low Associates. My right hon. Friend has formally declared his wife's position as managing director of Low Associates to the permanent secretary (which was subsequently included in the List of Ministers' Interests published on the Cabinet Office website) and taken appropriate steps to avoid any conflict of interest with his ministerial duties. All ministerial meetings with external organisations are published quarterly on the Department's website.

It would incur disproportionate cost to check whether any officials from the Department have met with Low Associates. The Department does not hold details of Low Associates' clients.

Medical Equipment: Counterfeit Manufacturing

David T. C. Davies: To ask the Secretary of State for Health (1) what information his Department holds on the safety of counterfeit pulse oximeter sensors found in NHS hospitals; [52895]

(2) what steps are being taken to withdraw counterfeit pulse oximeter sensors which have been found in NHS hospitals; [52914]

(3) how many counterfeit items of medical equipment have been found in NHS hospitals in each of the last three years for which figures are available; [52915]

(4) what communication the Medicines and Healthcare Products Regulatory Agency has received from other EU countries on the circulation of counterfeit medical equipment to hospitals; [52916]

(5) pursuant to the answer of 4 March 2011, *Official Report*, column 666W, on medical equipment: counterfeit manufacturing, whether the Medicines and Healthcare Products Regulatory Agency has received any recent reports of counterfeit pulse oximeter sensors that have been found to be unsafe. [53186]

Mr Simon Burns: We hold no information on the accuracy and safety of the counterfeit devices in question, as they have not been validated through the genuine manufacturers' conformity assessment procedures. All

such devices should be quarantined and returned to the manufacturer of the genuine product for authentication.

The Medicines and Healthcare products Regulatory Agency (MHRA) has issued a Medical Devices Alert to all national health service trusts which requests withdrawal of these counterfeit devices from NHS hospitals and their return to the manufacturers of the legitimate products and that MHRA are informed.

The number of counterfeit medical devices that have been found to have reached the NHS supply chain in the last three years is as follows:

	<i>Number</i>
2009	110,000
2010	0
2011	306

¹ The 2009 figure consists of a single large seizure of a high volume consumable device which could distort the overall extent of the problem.

Under the Medical Devices Directive 93/42/EC, member states are required to share information on serious incidents and recalls of medical devices with other member states where the products are marketed. Administrative systems also exist to exchange information, liaise and collaborate with other member states on compliance matters including instances of counterfeit medical equipment found in the supply chain.

No recent reports have been made to the MHRA of counterfeit pulse oximeter sensors having been found to be unsafe.

Mental Illness

Lyn Brown: To ask the Secretary of State for Health how many people in (a) England, (b) Newham and (c) West Ham constituency were diagnosed with a mental illness in (i) 2008, (ii) 2009, (iii) 2010 and (iv) 2011 to date. [53324]

Paul Burstow: The information is not collected in the format requested. The following table shows the number of finished consultant episodes for the most recent periods available. Figures are broken down to primary care trust (PCT) populations and cannot be separated out further.

Number of finished consultant episodes (FCEs) with a mental health primary diagnosis (ICD-10 codes F00-F99) by year

	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>
England	218,924	211,408	205,869	204,800
Newham	1,322	1,356	1,264	1,545
PCT				

Source: Hospital Episode Statistics (HES), The NHS Information Centre for health and social care

Neurological Conditions: Health Services

John Healey: To ask the Secretary of State for Health what the location is of each NHS specialist neurological unit. [52947]

Paul Burstow: Information on the location of each specialist neurological unit is not collected centrally.

NHS: Complaints

Mr Brine: To ask the Secretary of State for Health how many and what proportion of complaints referred to the Parliamentary and Health Service Ombudsman were upheld in the latest period for which figures are available. [52835]

Mr Simon Burns: The Parliamentary and Health Service Ombudsman (PHSO) is independent of both the Department and the Government and it is therefore not usually appropriate for officials and Ministers to answer on behalf of the PHSO.

However, in these circumstances the information is available in the public domain and can be provided.

The most recent data that has been published is for 2009-10. This was published in the PHSO's annual report (Listening and Learning the Ombudsman's review of complaint handling in the NHS 2009-10).

In 2009-10, PHSO received 14,429 health complaints.

In 2009-10, PHSO reported on 180 investigation complaints, of which 113 (63%) were upheld.

Mr Brine: To ask the Secretary of State for Health what the average time taken to complete an independent investigation by the Parliamentary and Health Service Ombudsman was in the latest period for which figures are available. [52836]

Mr Simon Burns: The Parliamentary and Health Service Ombudsman (PHSO) is independent of both the Department and the Government and it is therefore not usually appropriate for officials and Ministers to answer on behalf of the PHSO.

However, in these circumstances the information is available in the public domain and can be provided.

In 2009-10, the PHSO set a target to conclude 55%, of all investigations within 12 months: This includes both health and parliamentary investigations.

In 2009-10, the PHSO concluded 65%, of investigations (health and parliamentary) within 12 months.

The target for 2010-11 is to complete 90%, of investigations within 12 months.

NHS: Manpower

Karl McCartney: To ask the Secretary of State for Health (1) what proportion of NHS staff in England were doctors in (a) 1981, (b) 1990, (c) 2000 and (d) 2010; [53220]

(2) how many nurses worked in the NHS in England in (a) 1981, (b) 1985, (c) 1990, (d) 1995, (e) 2000, (f) 2005 and (g) 2010; [53221]

(3) what proportion of NHS staff in England were nurses in (a) 1981, (b) 1990, (c) 2000 and (d) 2010; [53222]

(4) how many doctors worked in the NHS in England in the years (a) 1981, (b) 1985, (c) 1990, (d) 1995, (e) 2000, (f) 2005 and (g) 2010. [53223]

Mr Simon Burns: Comparable figures for all national health service staff numbers are not available for 1981, 1985 and 1990. Prior to 1995 the NHS workforce was

monitored on an entirely different basis relating to pay scales which would result in the information captured for Medical and Dental and Non-Medical Hospital and Community Health Services staff (the majority of NHS) not being comparable to the data collected since then.

Because of this step change in the way in which the data was recorded and collected it has been standard practice not to provide time series on the NHS workforce that predate the 1995 improvements to methodology as these figures are confusing and do not represent a fair or accurate figure.

The following table gives the number of staff employed in the specialities requested in 1995, 2000, 2005 and 2010.

Numbers of doctors and nurses in the NHS and their proportion of total staff in England for selected years

	1995	2000	2005	2010 ¹
All NHS Staff ^{2,3}	1,052,428	1,117,841	1,365,388	1,431,145
Proportion of which Doctors (percentage)	8.0	8.6	9.0	9.8
Proportion of which Nurses (percentage)	30.1	30.1	29.6	28.7
All Doctors ^{2,3}	84,459	96,319	122,345	140,914
<i>Of which:</i>				
General Practitioners (GPs) (excluding retainers) ²	28,869	30,252	35,302	38,997
All Medical and Dental Staff ³	55,590	66,067	87,043	101,917
Total Qualified Nursing Staff	316,893	335,952	404,161	410,615
<i>Of which:</i>				
Qualified Hospital and Community Health Services (HCHS) nurses (including qualified bank nurses)	298,650	316,752	381,257	389,290
GP Practice Nurses	18,243	19,200	22,904	21,325

¹ The new headcount methodology for 2010 data is not fully comparable with previous years data due to improvements that make it a more stringent count of absolute staff numbers. Further information on the headcount methodology is available in the Census publication here:

http://www.ic.nhs.uk/webfiles/publications/010_Workforce/nhsstaff0010/Census_Bulletin_March_2011_Final.pdf

Headcount totals are unlikely to equal the sum of components.

² GP Retainers were first collected in 1999 and have been omitted from the time series for comparability purposes.

³ Excludes medical Hospital Practitioners and medical Clinical Assistants, most of whom are GPs working part time in hospitals.

Notes:

1. Comparable figures for NHS Staff figures are not available for 1981, 1985 and 1990.

2. Data as at 30 September each year for Medical and Dental workforce figures and Non-Medical figures.

3. Data as at 1 October 1995 and 30 September 2000-2010 for GP workforce figures.

Non-Hodgkin's Lymphoma

Mrs Moon: To ask the Secretary of State for Health what estimate he has made of the number of patients receiving NHS treatment for non-Hodgkin's lymphoma in England per head of the population in each of the last five years; and if he will make a statement. [52774]

Paul Burstow: No assessment has been made of the number of patients receiving national health service treatment for non-Hodgkin's lymphoma in England per head of population as information is not collected in this format. Information regarding finished consultant

episodes with a primary or secondary diagnosis of non-Hodgkin's lymphoma from 2005-06 to 2009-10 is provided in the following table.

We know that in 2008, there were just over 9,000 newly diagnosed cases of non-Hodgkin's lymphoma. "Improving Outcomes: A Strategy for Cancer" (January 2011) set out a range of measures to improve outcomes for all patients, including those diagnosed with non-Hodgkin's lymphoma. The strategy is backed by more than £750 million over the next four years. It sets out our plans to improve earlier diagnosis, access to screening, treatment, patients' experience of care and the quality of life for cancer survivors.

Activity in English NHS Hospitals and English NHS commissioned activity in the independent sector

	Finished consultant episodes (FCEs)
2009-10	107,150
2008-09	102,561
2007-08	101,059
2006-07	97,081
2005-06	92,237

Notes:

1. FCE: A finished consultant episode (FCE) is a continuous period of admitted patient care under one consultant within one healthcare provider. FCEs are counted against the year in which they end. Figures do not represent the number of different patients, as a person may have more than one episode of care within the same stay in hospital or in different stays in the same year.

2. Data quality: The number of episodes where this diagnosis was recorded in any of the 20 (14 from 2002-03 to 2006-07 and seven prior to 2002-03) primary and secondary diagnosis fields in a Hospital Episode Statistics (HES) record. Each episode is only counted once, even if the diagnosis is recorded in more than one diagnosis field of the record. ICD-10 codes used for non-Hodgkin's lymphoma:

C82—Follicular (nodular) non-Hodgkin's lymphoma

C83—Diffuse non-Hodgkin's lymphoma

C85—Other and unspecified types of non-Hodgkin's lymphoma

3. Assessing growth through time: HES are compiled from data sent by more than 300 NHS trusts and primary care trusts in England and from some independent sector organisations for activity commissioned by the English NHS. The NHS Information Centre for health and social care liaises closely with these organisations to encourage submission of complete and valid data and seeks to minimise inaccuracies. While this brings about improvement over time, some shortcomings remain.

4. Activity included: HES figures are available from 1989-90 onwards. Changes to the figures over time need to be interpreted in the context of improvements in data quality and coverage (particularly in earlier years), improvements in coverage of independent sector activity (particularly from 2006-07) and changes in NHS practice. For example, apparent reductions in activity may be due to a number of procedures which may now be undertaken in out-patient settings and so no longer include in admitted patient HES data.

5. Source statement: Activity in English NHS Hospitals and English NHS commissioned activity in the independent sector.

Source:

Hospital Episode Statistics (HES), The NHS Information Centre for health and social care.

Prescriptions: Fees and Charges

Kerry McCarthy: To ask the Secretary of State for Health if he will review the list of specified conditions that qualify patients for a medical exemption certificate. [52703]

Mr Simon Burns: In 2009, Professor Sir Ian Gilmore carried out a review to consider how to extend free prescriptions to all those with long-term conditions. This review made a number of proposals, and was published in May 2010 by the Government.

We announced in the spending review that to ensure spending in the national health service is focused on priorities, some programmes announced by the previous Government would not be implemented—including proposals to extend free prescriptions to all those with long-term conditions.

We are continuing to explore options for reforming the current prescription charging arrangements taking into account the financial context. We have no current plans for a further review of prescription charges.

Prosthetics

Tessa Munt: To ask the Secretary of State for Health what estimate he has made of the number of people in England with lost limbs in the latest period for which figures are available. [52709]

Paul Burstow: Central data are not collected about the numbers of people with limb loss, although data provided through the Hospital Episodes Statistics show that nearly 6,000 finished consultant episodes recorded limb amputation during 2009-10.

Information gathered in 2008, involving voluntary organisations, estimated there are about 60,000 people with prostheses and about 10,000 of them have upper limb prostheses.

St Helens and Whiston Hospital Trust

Mr Watts: To ask the Secretary of State for Health if he will publish the details of the proposed tripartite agreement between St Helens and Whiston Hospital Trust, the strategic health authority and his Department which outlines the options to deal with that trust's budget deficit. [52718]

Mr Simon Burns: Tripartite formal agreements (TFAs) are an integral part of ensuring that all national health service trusts submit an application for foundation trust (FT) status to the Department by 1 April 2013 in their own right, or another solution is identified and implemented so that they achieve FT status by 1 April 2014.

The agreements will identify the issues each NHS trust faces and the actions that will establish them as sustainable providers of high quality health care services. These developments will enable them to meet the demanding requirements needed to achieve FT status.

Work on the TFA between St Helens and Knowsley Hospitals NHS Trust, North West Strategic Health Authority and the Department has not yet been completed. When it has been finalised and the agreement has been signed by all parties, the trust will publish the agreement on their website.

Tobacco: EU Law

Robert Halfon: To ask the Secretary of State for Health if he will place in the Library a copy of his Department's response to the consultation on the possible revision of the Tobacco Products Directive. [53160]

Anne Milton: The Government's response to the European Commission's consultation on the possible revision to the European Union tobacco products directive has been placed in the Library.

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