

Thursday  
9 July 2015

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**  
(HANSARD)

Thursday 9 July 2015



# House of Commons

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## BUSINESS BEFORE QUESTIONS

TRANSPORT FOR LONDON BILL [*LOARDS*]

*Motion made,*

That the Promoters of the Transport for London Bill [*Lords*], which was originally introduced in the House of Lords in Session 2010-12 on 24 January 2011, may have leave to proceed with the Bill in the current Session according to the provisions of Standing Order 188B (Revival of Bills).—(*The Chairman of Ways and Means.*)

**Hon. Members:** Object.

*To be considered on Thursday 16 July.*

## Oral Answers to Questions

### CULTURE, MEDIA AND SPORT

*The Secretary of State for Culture, Media and Sport was asked—*

**Channel 4**

1. **Mr Christopher Chope** (Christchurch) (Con): What estimate he has made of the value of the public stake in Channel 4. [900851]

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** This Government have not made any estimate of the value of the public stake in Channel 4.

**Mr Chope:** In that case, is it not about time they did? Channel 4 has a turnover of about £1 billion a year, and assets of roughly half a billion. Surely the taxpayer stake in it could be sold and would help the Chancellor with his agenda.

**Mr Vaizey:** I am told that my hon. Friend has withdrawn his annual private Member's Bill to abolish the BBC licence fee. Perhaps his attention has now turned to Channel 4. I note what he says.

**Ian C. Lucas** (Wrexham) (Lab): Do the Government wish Channel 4 to retain its public service obligation?

**Mr Vaizey:** We have retained the public service obligation for Channel 4. Ofcom has made an important review of public service broadcasters, which our officials are currently evaluating.

**Jesse Norman** (Hereford and South Herefordshire) (Con): Does my hon. Friend share my view that since Channel 4 barely makes an operating profit, any future economic value is more likely to come from cutting broadcasting and production costs, and there may therefore be little public service role for it if it were to be so treated?

**Mr Vaizey:** I note what the Chairman of the Culture, Media and Sport Committee says. No doubt under his new remit he will want to make an inquiry into Channel 4. That inquiry might note that Channel 4 has increased its investment in broadcasting by 15%, which is welcome.

**Philip Davies** (Shipley) (Con): Will the Minister set out exactly what benefit Channel 4 receives from being owned by the state, and what benefit the taxpayer receives from owning a left-wing broadcaster?

**Mr Vaizey:** I can see that an interesting debate is developing among some Conservative Members. Perhaps I should leave them to it.

### Tourism

2. **Sir David Amess** (Southend West) (Con): What recent estimate he has made of the contribution made by tourism to the economy. [900852]

**The Secretary of State for Culture, Media and Sport (Mr John Whittingdale):** The tourism sector directly contributed nearly £60 billion to the UK economy in 2014. Taking account of indirect benefits, the sector was expected to be worth more than £133 billion last year, supporting about 3.2 million jobs in the UK.

**Sir David Amess:** Is my right hon. Friend aware that Southend-on-Sea is the alternative city of culture 2017? With the event likely to go global, does he recognise that there will be a boost to the economy in Southend, and a significant boost to the UK tourism sector?

**Mr Whittingdale:** I congratulate my hon. Friend on his campaign to make Southend the city of culture. It was, of course, narrowly beaten by Hull, but nevertheless I am aware that Southend has many attractions. As a fellow Essex MP I am in favour of anything that will attract more visitors to our county.

**Jim Shannon** (Strangford) (DUP): The fantastic tourism potential that lies in country sports is worth £1.6 billion to the economy, and some 480,000 shooters pursue their sport across the whole of the United Kingdom. What more can the Minister do to ensure that country sports and tourism can go forward together?

**Mr Whittingdale:** I believe that the matter of country sports will soon be subject to a debate in this House. It will be for every Member to make up their own mind about the value of that and whether we can continue to promote it.

**Nigel Huddleston** (Mid Worcestershire) (Con): Does my right hon. Friend agree that the range of anniversary commemoration events taking place this year, which happen to include the 750th anniversary of the battle of

Evesham in my constituency, not only showcase our heritage but provide a good boost for the tourism economy?

**Mr Whittingdale:** We are fortunate this year to celebrate a number of important anniversaries, including Agincourt, Waterloo and the first world war, and my hon. Friend is entirely right to remind the House that we can add the battle of Evesham to that list. The commemorations will not only increase awareness of our heritage, but will draw more visitors to this country.

**John Pugh (Southport) (LD):** The DCMS triennial review recommended that VisitBritain should have regional dispersal targets, so that VisitBritain is not simply "VisitLondon". What progress is being made, and how will it be monitored?

**Mr Whittingdale:** The importance of persuading visitors that we have many attractions to offer outside London, as well as in London, is something I am very conscious of, not least because it was one of the principal recommendations of the Select Committee's report on tourism. We will be responding to the report very shortly. I have considerable sympathy with the hon. Gentleman's point. We will certainly, if not set targets, be doing our best to persuade visitors to enjoy all the attractions right across all the nations of the UK.

**Steve Double (St Austell and Newquay) (Con):** The Secretary of State will be aware of how important the tourism industry is to Cornwall, but is he aware of the damage that the Government's current rules, which restrict families from taking their children out of school during term time, are having on the Cornish economy? Visit Cornwall estimates that it has cost the Cornish economy about £50 million. Will the Secretary of State be willing to meet me to discuss how we might address this issue and support the Cornish tourism industry?

**Mr Whittingdale:** I understand the point my hon. Friend makes, although he will appreciate that this is principally a matter for the Secretary of State for Education rather than my own Department. I understand that headteachers are encouraged to be flexible in setting their week, but the fact that children need an education is very important and we should not deprive them of that by changing their ability to go on holiday.

**Clive Efford (Eltham) (Lab):** I am sure the Secretary of State will welcome the figures from the international passenger survey published last month, which showed that the number of overseas visitors to the UK is up 3% for the first four months. However, does he share my concern, and that of the tourism industry, that the figures show that expenditure is down 7% so far this year? If this trend continues to the end of the year, total revenue could be down by £1.53 billion compared with 2014, potentially putting 28,000 jobs at risk. Given those concerns, is it not time for the Government to put together a national strategy for tourism?

**Mr Whittingdale:** I am grateful to the hon. Gentleman for highlighting the fact that the number of visitors has continued to increase and is at record levels. Nevertheless, he is right that there has been a small drop in spend. That may be more to do with the weakness of the euro

than anything else. On his call for a national tourism strategy, my Department is reviewing all our policy areas. We will respond to the Select Committee report very shortly and set out precisely our intentions to promote tourism in the UK.

**Martin Vickers (Cleethorpes) (Con):** Cleethorpes is, of course, the premier resort of the east coast and is well located to benefit from visitors to Hull in 2017. Do the Government have any plans for additional assistance to boost seaside tourism?

**Mr Whittingdale:** My hon. Friend is absolutely right to draw the attention of the House to the many attractions of Cleethorpes. As I said, we are looking to boost tourism outside London. We already have specific projects in Yorkshire and in the south-west. I am sure the people of Cleethorpes will take maximum advantage in attracting the extra visitors who will no doubt be coming to the region to celebrate Hull's city of culture status.

### Female Participation in Sport

**3. Holly Lynch (Halifax) (Lab):** What steps he is taking to halt the decline in female participation in sport since the London 2012 Olympic and Paralympic games. [900853]

**7. Christina Rees (Neath) (Lab):** What steps he is taking to halt the decline in female participation in sport since the London 2012 Games. [900858]

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch):** I would like to take this opportunity to congratulate the England women's football team for winning bronze at the world cup in Canada. I am sure the whole House would agree with me that their performance in the world cup will inspire many girls to play football.

Female participation in sport is up since we won the Olympic bid in 2005 and is up since 2010, but despite an initial spike immediately post-London 2012, it has begun to decline since 2012. This downward trend is unsatisfactory and the forthcoming publication of our sport strategy will establish how the Government will reverse this trend.

**Holly Lynch:** England is hosting this year's rugby world cup and I am delighted to be welcoming the cup itself, the Webb Ellis, to Halifax rugby club on 5 August. As a former fly-half for Lancaster University and the Halifax Vandals, it was disappointing that the latter team folded as we simply did not have the numbers to continue. Will the Minister tell me what lessons can be drawn from the Olympics to maximise the rugby world cup as a means of encouraging women in particular to continue all types of sport into their adult lives?

**Tracey Crouch:** The legacy of the rugby world cup is something we are taking very seriously. As somebody who has a premiership female rugby team in my constituency, I know it is a growing sport. With the success of the England women's sevens going to Rio next year, I think it will continue to inspire many girls and ladies to play rugby in the future.

**Christina Rees:** The number of females joining sports clubs in Wales since the 2012 London Olympics has increased by a massive 81%, while in England, as the Minister said, there has been a steady decline. The investment in grassroots sport by the Welsh Labour Government has enabled my constituents Hannah Brier and Emily Jones to come through the superb Sport Wales development structure. Hannah, aged 17, has already broken the 100 metres Welsh national record, which had stood for more than 30 years, and is now a member of the GB team going to the youth world championships. Emily, aged 10, has been supported to represent Disability Sport Wales and has won two national gold medals. Will the Minister join me in congratulating Hannah and Emily on their fantasmagorical achievements, and will she meet the sports Minister in the Welsh Labour Government, Ken Skates, to see whether she can pick up any tips?

**Mr Speaker:** As the Clerk says, I think we are in extra time.

**Tracey Crouch:** I would be delighted to congratulate the hon. Lady's constituents on their success so far. She herself will be encouraging of that, given her own history of competing for the GB youth team in Munich, and I know she takes grassroots sport incredibly seriously. It is important that we all do what we can to encourage the next generation of athletes, particularly women, to participate in sport.

**Mims Davies (Eastleigh) (Con):** Does my hon. Friend agree that the growth in women's running, supported by parkrun—there are two in my constituency: one in Eastleigh and one in Netley Abbey—is greatly aiding the post-2012 participation rate for women?

**Tracey Crouch:** Parkrun has been a phenomenal success, and we are looking at whether we can replicate it across other sports, because it has used technology incredibly well to encourage more people to get involved in sport. I would like to see that continue.

**Sir Peter Bottomley (Worthing West) (Con):** May I suggest that other people copy my hon. Friend the Minister, who, in her personal capacity, has trained and led girls' football teams? We need more people to understand that taking part in sport and then passing on one's skills to others is one of the best ways of getting participation up. I congratulate her.

**Tracey Crouch:** I am grateful for my hon. Friend's kind comments. I think that participation in sport is incredibly important, but the only way to get people doing it is to have an absolutely solid group of volunteers helping to run grassroots sport. That is something I would like to encourage. We have seen phenomenal success from organisations such as Join In that help to facilitate participation across the country, and I would encourage everybody in the House to get involved with their local sports club.

**Richard Arkless (Dumfries and Galloway) (SNP):** Has the Minister assessed the impact in Scotland of the legacy of the London 2012 Olympics? If so, are there any plans to compare the tangible legacy in Scotland of the Commonwealth games with that of London 2012?

**Tracey Crouch:** There was a recent Grant Thornton report into the legacy and its impact on Scotland, and I would be happy to share those details with the hon. Gentleman. It is important that the legacy of the Olympics and Paralympics be felt across the United Kingdom, and that is something we will be developing further in the forthcoming sports strategy.

**Mr Philip Hollobone (Kettering) (Con):** The women's cycling tour recently held its Northamptonshire stage, the triumphal arrival of which into Kettering, amid cheering crowds, was the highlight. Will the Minister agree that women's cycling is leading the way in encouraging women to take part in sport?

**Tracey Crouch:** Women's cycling is incredibly important and something I would like to see more of. The recent tour was the start of great things to come, and I am certainly a supporter of a female Tour de France.

### Listed Sports (BBC)

**4. Daniel Zeichner (Cambridge) (Lab):** What assessment he has made of the BBC's financial capability to broadcast listed sports events in preparing for discussions on the BBC's next charter renewal and future funding. [900855]

**The Secretary of State for Culture, Media and Sport (Mr John Whittingdale):** This will be among the many issues up for consideration as part of the charter review, and I shall be making an announcement about the review in due course.

**Daniel Zeichner:** The Secretary of State will be aware that Ofcom is currently reviewing who is entitled to broadcast listed events. We are in Wimbledon fortnight, and the whole country is united in watching this great event, but with the BBC so financially constrained, how can he assure people that the whole country, regardless of ability to pay, will be able to follow the dramas and successes of British sports people in the future?

**Mr Whittingdale:** The hon. Gentleman will be aware that we maintain a list of events that are required to be shown on free-to-air television, and the Wimbledon tennis finals are on that list. The non-finals matches are on the B list, which ensures that secondary coverage is protected. It is ultimately a matter for the sport, however, as to who it sells the rights to.

**Damian Green (Ashford) (Con):** The Secretary of State is obviously well aware of the debate about the effect that taking an individual sport off free-to-air television has on long-term participation in that sport because it does not get the exposure. Is his Department doing any work on assessing the effect that taking live action off free-to-air television has on long-term participation in those sports?

**Mr Whittingdale:** My right hon. Friend makes an interesting point, but as I have suggested to the hon. Member for Cambridge (Daniel Zeichner), it is a matter for individual sports governing bodies as to who they sell their rights to, and each governing body will want to weigh up the balance between maximising the revenue



that will go into sport and trying to ensure that as many people as possible have the opportunity not just to watch but, I hope, to participate.

**John Nicolson** (East Dunbartonshire) (SNP): Will the Secretary of State tell the House exactly how he plans to involve the Scottish Government in the charter renewal process? Lord Smith says that the Scottish Government should be involved, but he is a bit vague about the process itself.

**Mr Whittingdale:** I have been in correspondence with the Scottish Government Minister and we have given an assurance that we will abide by the terms of the Smith commission agreement. We will, therefore, involve the Scottish Government and, indeed, the Governments of the Welsh and Northern Ireland Assemblies in the charter review process. I shall give further details in due course.

**Andrew Bridgen** (North West Leicestershire) (Con): Will the Secretary of State confirm whether decriminalisation of non-payment of the TV licence formed any part of his recent negotiation with the BBC when it agreed to fund the over-75s licence fee? Has he already conceded to the BBC on this issue?

**Mr Whittingdale:** As I announced to the House on Monday, that does form part of the agreement we have reached with the BBC, in that we have said that decriminalisation will be considered as part of the charter review process. I shall publish David Perry's report on that matter very shortly.

**Chris Bryant** (Rhondda) (Lab): BBC Sport is phenomenally popular: 51.9 million people watched at least 15 minutes of the London Olympics—that is a whopping nine out of 10 people in this country—and this year's England-France six nations match drew the largest ever rugby audience of 9.63 million. Can the Secretary of State guarantee that the Olympics will remain fully on the BBC and the six nations will be free-to-air?

**Mr Whittingdale:** The hon. Gentleman will be aware that the Olympics are in the group A of listed sporting events, so there is a guarantee that they ought to be shown free-to-air. As he will know, the pan-European rights have been acquired by Discovery. Whether or not the BBC reaches a deal with Discovery over those rights is something for the BBC and Discovery. However, I can give him the assurance that, because they are part of the list, the Olympics will be shown free-to-air.

**Chris Bryant:** Well, I am not sure that the Secretary of State is right about that, because the Office for Budget Responsibility says that the shabby little behind-stairs deal that he cooked up this week for the licence fee represents another 20% cut in real terms to the BBC. That is not a cold bath: it is a prolonged period in the deep freeze. Is it not the case that, when sports rights inflation is running into double digits, this BBC settlement means that the Secretary of State is in effect forcing sport off the BBC? Does he not realise that sport belongs to the fans, not to BSkyB, BT or Discovery, and the fans will be furious if the BBC can no longer compete for these important sports rights?

**Mr Whittingdale:** It is a matter for the BBC as to which rights it seeks to acquire, but the hon. Gentleman seems to ignore the contribution of other public service broadcasters. I point out to him that every single match of the rugby world cup will be shown free on ITV and that Channel 4 has developed its racing coverage, which is widely watched and admired by many people.

### Children's Creative and Cultural Experiences

**5. Fiona Mactaggart** (Slough) (Lab): What recent discussions he has had with the Secretary of State for Education on children's access to creative and cultural experiences; and if he will make a statement. [900856]

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** Obviously, my Department works very closely with the Department for Education. In fact, the Secretary of State and I will do a joint event at the Creative Industries Federation and will talk about our massive success in music and cultural education. We might mention, for example, the £460 million that has been invested since 2012.

**Fiona Mactaggart:** The problem is that that investment has not increased children's cultural and creative experiences. The Warwick commission revealed a drastic decline in music education and that only one in 12 British people are, as it put it, culturally active. Will we continue to see this decline under the Conservative Government so that only those people who can afford to send their children to expensive public schools will be able to ensure that their children get the chance to learn music and to experience live theatre?

**Mr Vaizey:** Our Taking Part survey shows that since 2008-09, participation by children aged between five and 10 has increased, the number of children going to our museums has increased, the number of pupils taking arts GCSEs has increased—and so on, so forth. I do not share the hon. Lady's view.

**Liz McInnes** (Heywood and Middleton) (Lab): Does the Culture Secretary agree with the Education Secretary that studying arts subjects holds children back for the rest of their lives?

**Mr Vaizey:** No, he does not, because that is not the Education Secretary's view. Labour Members seem to take the view that if we talk up science, we are somehow talking down the arts. My right hon. Friend was not doing that at all. I suggest the hon. Lady reads the speech.

**John Mann** (Bassetlaw) (Lab): Bassetlaw parliamentary summer school is having a wonderful week, not least—as shown by the incredible feedback I received last night—in respect of the session featuring you, Mr Speaker. Does the Minister not agree that there is a problem for children living way away from the big cities such as London in that they do not have the same cultural opportunities as those who are living in the big cities, meaning that the Government need to intervene to ensure that resources go there to provide those opportunities?

**Mr Vaizey:** I absolutely agree that we should support pupils wherever they live. That is why we have, for example, the museum and schools programme to help

young people visit regional and national museums, and the heritage schools programme, which has been a huge success. I take the hon. Gentleman's point, but we are working on it.

### National Heritage (Salisbury)

6. **John Glen** (Salisbury) (Con): What steps he is taking to protect and promote national heritage in Salisbury constituency. [900857]

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch):** The Salisbury area has many wonderful heritage treasures. These have benefited from substantial investment from both the Government and the Heritage Lottery Fund, and include the famous cathedral, Stonehenge and the Avebury world heritage site.

**John Glen:** Salisbury Cathedral has the finest copy of the Magna Carta, and June Osborne and her team have put together a spectacular range of events to celebrate the 800th anniversary. Two hundred children from across my constituency will gather this evening to perform the Magna Cantata musical. Will the Minister affirm that the Government will continue to support this wonderful building and all that goes on there?

**Tracey Crouch:** I congratulate my hon. Friend on getting so many young children in his constituency engaged in celebrating the 800th anniversary of the Magna Carta. This fantastic project has received more than £400,000-worth of investment through the Heritage Lottery Fund, while the cathedral itself has benefited from £600,000 from our first world war centenary cathedrals repair fund. Salisbury Cathedral will continue to be eligible to apply for further support from our listed places of worship grant scheme and the Heritage Lottery Fund.

### First World War

8. **Graham Evans** (Weaver Vale) (Con): What further steps his Department plans to take to commemorate the first world war. [900860]

**The Secretary of State for Culture, Media and Sport (Mr John Whittingdale):** We will commemorate the Battle of Jutland on 31 May 2016 and the Battle of the Somme on 1 July 2016. We are in the early stages of planning appropriate events in 2017 and 2018.

**Graham Evans:** The Prime Minister Harold Wilson was severely wounded in 1915 at the Battle of Loos, which I understand will be commemorated in Scotland in September. Can my right hon. Friend assure us that when it comes to the 100th anniversary of the Battle of the Somme, it will be commemorated in the great northern cities of Liverpool, Manchester, Leeds and Sheffield, recognising the contribution of the northern pals?

**Mr Speaker:** Did the hon. Gentleman mean Macmillan?

**Graham Evans:** I did mean Macmillan, sorry.

**Mr Speaker:** We are grateful to the hon. Gentleman—and the Macmillan family, in particular, will be very grateful.

**Mr Whittingdale:** And possibly the Wilson family, too. I am most grateful to you, Mr Speaker, for your assistance. My hon. Friend nevertheless makes an important point—that the sacrifice of our citizens in the first world war represented contributions made by every single part of the United Kingdom, and it is extremely important to commemorate that. As my hon. Friend will be aware, on the centenary day of 1 July next year, there is a major event at Thiepval in northern France. I am sure that other parts of the UK will want to participate, including the great cities that he mentioned.

### Local Community Radio

9. **Amanda Milling** (Cannock Chase) (Con): What steps the Government are taking to promote and support local community radio. [900861]

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** Community radio is a fantastic success story in this country. We have almost 230 radio stations on air and we maintain our community radio fund.

**Amanda Milling:** The current regional system for awarding FM licences to community radio stations has resulted in Cannock Radio having no clear timeframe in which to apply. Would my hon. Friend consider replacing that system with one that is more predictable, fair and frequent?

**Mr Vaizey:** I hear what my hon. Friend says, and I know that the Leader of the House visited the brilliant Cannock Radio station with her recently. At the moment, we want to keep the regional system because we believe that it provides greater certainty than an on-demand system. However, I will certainly talk to Ofcom about the point that she has made.

### Champions League (Cardiff)

10. **Craig Williams** (Cardiff North) (Con): What estimate he has made of the potential economic effect of hosting the 2017 Champions League final in Cardiff. [900863]

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch):** I congratulate Cardiff on securing the 2017 Champions League final. The Government have made no formal assessment of the economic benefit of the event, but we know that fans travelling to the 2013 Champions League final at Wembley are estimated to have contributed more than £40 million to the London economy, so we expect that hosting the biggest club game in football will provide a positive boost to the Welsh economy.

**Craig Williams:** I thank my hon. Friend's Department for helping to bring the Champions League final to Wales. I should also point out that the first Ashes test started in Cardiff yesterday. Will the Minister continue to do everything she can to help to attract major sporting events to Wales, to boost our economy and further encourage people to take an interest in sport?

**Tracey Crouch:** In recent years, Cardiff has shown the world that it is the home of major sporting events, including the current Ashes test, the UEFA super cup and the canoe slalom, as well as games in the rugby

league world cup and the upcoming rugby union world cup. I fully expect any future bids, along with the city itself, to benefit from Cardiff's success in staging such events, and we will continue to work with UK Sport and the Welsh Government to identify and secure top-class sporting events for the city.

### BBC

11. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps he is taking to uphold the future integrity and independence of the BBC. [900864]

**The Secretary of State for Culture, Media and Sport (Mr John Whittingdale):** The charter review is the appropriate process through which the Government consider all aspects of the BBC's activities, its scope and scale, its funding, and how it is governed. A key aspect of this will be to consider its integrity and independence and how these are best upheld.

**Mr Sheerman:** The Secretary of State is a reasonable man, and I like him a lot. We would both agree that the BBC is not perfect, but will he put a stop to this BBC phobia? When we look at any part of the foreign press, we can see that the BBC is the best broadcasting service and that the balance of broadcasting in this country is the best in the world. Please do not damage it without thinking.

**Mr Whittingdale:** The hon. Gentleman was very kind in his first remarks, and I therefore could not possibly disagree with him. And I do not: the BBC does have many outstanding qualities, and it is the intention that, in the charter review process, we shall endeavour to strengthen them, not weaken them.

**Mr Peter Bone** (Wellingborough) (Con): My right hon. Friend talks about strengthening the BBC, and he is right to say that it has many good values, but one of the problems that has existed over a number of years—the BBC itself has admitted this—is that it has tended to be very much an EU-biased organisation. It is almost institutionally biased. Is that something that the review will take into account?

**Mr Whittingdale:** The question of how the BBC meets its impartiality requirements is certainly part of the charter review process, as that forms an essential component of its governance. My hon. Friend will be aware that the BBC Trust adjudicates complaints against the BBC about impartiality at the moment. Some people have questioned that, and it is certainly something that we will be considering.

### Universal Service Obligation (Broadband)

12. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What assessment he has made of the potential merits of a legally binding universal service obligation for broadband access across the UK. [900865]

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** As part of the digital communications infrastructure review published in March, we said that we would look into a universal service obligation of 5 megabits, as that could be particularly helpful in reaching the last 5% for broadband access.

**Alan Brown:** I thank the Minister for his answer and urge him to implement a universal service obligation as soon as possible in order to achieve that final 5%. I represent a constituency whose rural areas suffer from a lack of broadband, but the large town of Kilmarnock, with 50,000 people, also has areas that lack broadband access. The UK is rightly proud of the Royal Mail's universal service obligation, and the 21st century equivalent should be a similar obligation for broadband.

**Mr Speaker:** It would be helpful to the Chair if he were able to detect a question mark.

**Alan Brown** *rose*—

**Mr Speaker:** No, no! I am extremely grateful to the hon. Gentleman, for today.

**Mr Vaizey:** I am grateful to the hon. Gentleman for his question about helping urban areas that do not have superfast broadband. He is right to point that out, as about a fifth of the last 5% are in urban areas, and we must do more there as well. I am very pleased that the roll-out in Scotland is going so brilliantly well, thanks to the hundreds of millions of pounds supplied by the Westminster Government.

### Topical Questions

T1. [900841] **Andrew Gwynne** (Denton and Reddish) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Culture, Media and Sport (Mr John Whittingdale):** The sports Minister has, quite rightly, paid tribute to the English women's team for their third place finish in the recent world cup. We should likewise pay tribute to Team GB who returned from the European games in Baku with an impressive haul of 47 medals, 18 of which were gold, placing them third in the medals table. I am sure that Members will also be watching the latter stages of Wimbledon and the Ashes very closely and hoping for further British triumphs.

**Andrew Gwynne:** I am grateful to the Secretary of State for his answer, and I add my congratulations, too. Back in 2011, the Culture, Media and Sport Committee reported on football governance, and recommended that there should be changes to the way the Football Association, the Premier League and the Football League were governed. It said that, if they did not change their own governance, the Government would legislate. Those organisations have not come forward with those changes, so will the Government now legislate?

**Mr Whittingdale:** The hon. Gentleman is quite right; I remember that report extremely well. It is the case that some progress has been made in the right direction since then, but we shall continue to press for further change. I have regular meetings with the Football Association and the Premier League, and we will be publishing our sports strategy shortly.

T2. [900843] **Scott Mann** (North Cornwall) (Con): With the Ashes series beginning and the sun out, many of our local cricket clubs in Cornwall are once again opening their doors for the summer season. Does my



right hon. Friend agree that we need to make it easier for sports clubs to access grant funding and planning consent to improve facilities for our young cricketers in Cornwall to give them the opportunity to one day pull on the three lions and play at the highest level?

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch):** Access to good facilities is at the heart of our nation's sporting offer, and I am grateful to Sport England for its excellent work in helping local clubs to fund new facilities, investing £3.2 million across 85 sports facilities in Cornwall since 2012, including two cricket projects in my hon. Friend's own constituency. I encourage any local clubs with queries about facilities to get in touch with Sport England, as it offers a range of grant programmes.

**Susan Elan Jones (Clwyd South) (Lab):** The Secretary of State was forced to tell us elements of the financial settlement for the BBC, but there is still no proper process for charter renewal. He says now that he will publish the Green Paper. Will he make an oral statement to the House on this matter before the summer recess? The simple one-word answer "yes" will do us nicely for today.

**Mr Whittingdale:** Yes.

T3. [900844] **Nusrat Ghani (Wealden) (Con):** The whole House will have been appalled by the mindless destruction of cultural heritage sites by terrorists in the middle east. The ancient Iraqi city of Hatra is just one of the many historic sites cruelly targeted as part of a concerted campaign to destroy the history and heritage of us all. Will my right hon. Friend assure the House that the Government are doing all they can to prevent the senseless destruction and exploitation of our ancient history?

**Mr Whittingdale:** My hon. Friend is absolutely right to draw attention to that matter. Obviously, our first priority is the human cost of these terrible conflicts, but the devastation to some of the most important cultural sites in the world is also of profound concern. We are uniquely placed to assist with this. We are developing a cultural protection fund to support the protection of cultural heritage, and I hope that we can give further details shortly.

**Mr David Hanson (Delyn) (Lab):** The Minister will know of my support for local television services in Mold in my constituency. Will he, ahead of the meeting that we have with my hon. Friend the Member for Wrexham (Ian C. Lucas) on Wednesday, indicate what progress he has made in his discussions with the BBC about using financial support to help expand that service for north-east Wales as a whole?

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** I am grateful to the right hon. Gentleman for his question. We had a useful meeting with him and his colleagues. There is an opportunity to make progress. I cannot update him in the House, but I will update him at the meeting in short order.

T4. [900845] **Maggie Throup (Erewash) (Con):** I have been recently contacted by a constituent whose nine-year-old daughter, Lola, is a talented young ice skater. Lola competes

in skating competitions all across the UK. Although her family do all they can to support her financially, they find it difficult to secure sponsorship because of her age. Will my hon. Friend provide any guidance on where my constituent can apply for funding to ensure that we continue to encourage and support our stars of the future?

**Tracey Crouch:** I appreciate the challenge that Lola's family have faced in securing support for her talent. I imagine that many of us have constituents in similar positions. I understand that my hon. Friend's office has already contacted Sport England for advice on this matter. The usual funding route for talented young athletes is through SportsAid. However, this support is mainly aimed at the over-12s. At the age of nine, it is more common for talented athletes to get sponsorship in kind from local businesses that want to support athletes, and I would very much encourage Lola to explore that route.

**Luciana Berger (Liverpool, Wavertree) (Lab/Co-op):** Last month, the new platform, Apple Music, was prompted into paying artists during its three-month free trial period, after concerns were raised by many people, including Taylor Swift, that they would not be paid for their work. This issue affects many music artists, including those in Liverpool and across the country, who struggle to make a decent living. What steps is the Minister taking to ensure that music artists are paid fairly for their work in the digital age?

**Mr Vaizey:** I hope it is in order for me, Mr Speaker, to congratulate the hon. Lady on her recent marriage. She makes an extremely important point. I thought that Taylor Swift's intervention was well made. As technology changes how we access and buy music, it is important that we put the rights of the creators at the forefront of our minds. This Department, particularly under this Secretary of State, will do everything that it can to preserve the intellectual property rights of creators and ensure that they are fairly remunerated.

T5. [900846] **Jesse Norman (Hereford and South Herefordshire) (Con):** On Saturday, I will have the colossal joy of sitting at Edgar Street and watching the first home game of Hereford football club—the new football club in my constituency. Will the sports Minister join me in congratulating the new club, the Hereford United Supporters Trust and all the fans who have got behind it? Does she share my view that more can be done to crack down on and improve the owners and directors test, which has signally failed so far and which needs to be improved if we are to improve governance in our grassroots football?

**Tracey Crouch:** I congratulate my hon. Friend on all the work that he has done in supporting Hereford United over the past few years. We will look into these issues in further detail, but he has to wait a few more weeks for the support strategy to be published.

**Mr Graham Allen (Nottingham North) (Lab):** Does the sports Minister accept that a lot of culture, media and sport often appears to be somewhat middle class? Will she do her bit to ensure that the deprived areas of

the UK are properly looked after by visiting Nottingham North, my constituency, and examining the state of sport there?

**Tracey Crouch:** As somebody with a constituency that has two areas of multiple deprivation, I do understand some of the concerns that the hon. Gentleman raises, and if my diary permits, I would be delighted to come to Nottingham.

T6. [900849] **Tom Tugendhat** (Tonbridge and Malling) (Con): What steps will the Government take following the tragic and untimely death of a Tonbridge Angels player, Junior Dian, on Tuesday this week?

**Tracey Crouch:** First, may I offer my sympathies to the family and friends of Junior Dian? It is always a tragedy when such events occur in sport. My hon. Friend and I share a constituency border so I am especially aware of the local coverage of this matter. I agree with him that it is an important area to look at. In Italy, for example, all amateur and professional athletes are screened for heart conditions, which has resulted in an 89% drop in the death rate since its introduction. It is an important area, and one that I will look at in some detail in the forthcoming sport strategy.

**Ian C. Lucas** (Wrexham) (Lab): The magnificent Llangollen international eisteddfod, in the constituency of my hon. Friend the Member for Clwyd South (Susan Elan Jones), has been bedevilled by artists having difficulty in securing visas to visit the site. This did not happen to Burt Bacharach, who I saw earlier this week, but it does tend to affect visitors from Africa and the Indian subcontinent. Will the right hon. Gentleman meet the Home Secretary to try to address this problem?

**Mr Whittingdale:** I have previously visited the eisteddfod, so I know what a magnificent event it is, and I hope that perhaps I will have a chance to do so again in the future. I am very conscious of the issue that the hon. Gentleman raises. I am anxious that those who have skill and talent can visit this country, so that as many people as possible can enjoy them at the eisteddfod and elsewhere, and I will certainly continue to pursue this matter with the Home Secretary.

T7. [900850] **Suella Fernandes** (Fareham) (Con): Many of my constituents living in Tanners Gate, Titchfield Common, have been struggling for the past two years with the serious problem of poor broadband connectivity, only getting 15% of the speed they have paid for, and complaints to BT have been in vain. Will my hon. Friend help me to remedy the situation?

**Mr Vaizey:** I should be delighted to help my hon. Friend. I am pleased that broadband roll-out has reached something like 95% in her constituency, so coverage is very good, but I am delighted that Ofcom has recently announced new rules under which consumers can leave their broadband provider with no penalty if the provider does not provide the promised speeds.

## LEADER OF THE HOUSE

*The Leader of the House was asked—*

### Palace of Westminster (Restoration and Renewal)

1. **Paul Blomfield** (Sheffield Central) (Lab): What assessment he has made of the implications for the House of the proposals for the restoration and renewal of the Palace of Westminster. [900871]

9. **Mike Kane** (Wythenshawe and Sale East) (Lab): What assessment he has made of the implications for the House of the proposals for the restoration and renewal of the Palace of Westminster. [900880]

**The Leader of the House of Commons (Chris Grayling):** We intend to establish a Joint Committee of Parliament on the restoration and renewal of the Palace of Westminster. I expect this to be established before the summer recess. The Committee, which will be co-chaired by the Leaders of both Houses, will consider the independent options appraisal report, which was laid before both Houses on 18 June, as well as related evidence. It will then make recommendations to both Houses on a way forward, taking account of costs, benefits, risks and potential timescales.

**Paul Blomfield:** Too many decisions affecting the country as a whole are made by people who view them through the prism of their personal experience living and working in London. Does the Leader of the House recognise that moving Parliament out of the Palace of Westminster not only is the most cost-effective approach to restoration, but provides a unique opportunity to take decision making out of the metropolitan bubble; and will he think seriously about temporary relocation to one of our great northern cities, such as Sheffield?

**Chris Grayling:** I think that is the third or fourth representation I have had so far to locate Parliament in an hon. Member's constituency. I suspect—

**Ms Angela Eagle** (Wallasey) (Lab): How about Wallasey?

**Chris Grayling:** I hear Wallasey from the Opposition Front Bench. I suspect there are 650 different views on where Parliament might be temporarily located. I am sure the Committee will note the fact that those views exist.

**Mike Kane:** Can the Leader of the House be more specific about when he will bring the Deloitte report back to this place for a full discussion? Although I enjoy a relationship of solidarity, reciprocity and mutuality with my hon. Friend the Member for Sheffield Central (Paul Blomfield), may I put in my bid for Manchester, please?

**Chris Grayling:** As I said, I think we will get many more such representations. Seriously, this is something that has to be agreed by everyone: we need the agreement of this House and of the other place. We need to have a sensible plan that represents value for the taxpayer,

as well as recognising that this is a historical part of our nation and the centre of our democracy. We will endeavour to make sure we deliver a sensible recommendation in a timely way that gives this House a way forward.

**Mr Ranil Jayawardena** (North East Hampshire) (Con): I welcome what the Leader says about providing a plan for the restoration. My introduction to the House of Commons was in Committee Room 18, where the leaking roof demonstrates the importance of restoration. Does my right hon. Friend agree that we should not rule out a half-and-half solution to refurbishment?

**Chris Grayling:** I am grateful to my hon. Friend for not lobbying for Andover. In my view, the job of the Committee is to look at all the options, not to rule any option in or out at this stage. What is of paramount importance is that the solution chosen must enable our democracy to continue to work effectively.

**Mr Philip Hollobone** (Kettering) (Con): Although my constituents in Kettering would support the cheapest option, which also happens to be the quickest option, of closing down the Palace of Westminster and moving us out, please can we quell all this nonsense about going to different parts of the country and make sure we just go over the other side of Parliament Square to the QEII conference centre?

**Chris Grayling:** I hear my hon. Friend's view. Of course the possibility of temporary relocation is one of the options that will have to be considered. I have to say that my own view is that we should move out of this place, were we to choose to do so, with the utmost caution and care, and that is not where I personally am inclined to take us.

**Neil Gray** (Airdrie and Shotts) (SNP): Will the Leader of the House update us on whether the options appraisal report came within the original £2 million budget, or indeed the revised £2.4 million budget?

**Chris Grayling:** I do not have those figures to hand, but I am happy to ensure that the officials concerned write to the hon. Gentleman confirming what the final cost was.

**Philip Davies** (Shipley) (Con): Will the Leader of the House take into account the impact on tourism and on the UK economy if we move out of this building? Many people come to the UK from abroad to visit the Houses of Parliament, but it is highly unlikely that they will come to visit us in some aircraft hangar in another part of the country. Will that be a key consideration when the decision is made? [*Interruption.*]

**Chris Grayling:** From a sedentary position, the hon. Member for Rhondda (Chris Bryant) was surprisingly self-deprecating in suggesting that my hon. Friend is the tourist attraction, rather than him. The position of this building as the centre of both our democracy and our national life—part of the magnet that brings so many tourists to London—is absolutely something that we should take into account.

## English Votes on English Laws

2. **Patrick Grady** (Glasgow North) (SNP): What opportunities he expects to be provided for scrutiny of his proposal for English votes on English laws. [900872]

**The Leader of the House of Commons (Chris Grayling):** The Government's proposals were published on Thursday 2 July, and they have been discussed twice in the Chamber. I have announced that there will be a full debate on them next week, and I shall discuss that further in the business statement at 10.30 am.

**Patrick Grady:** The Leader of the House has made it clear that, assuming the proposals actually go through, the operation of EVEL will be reviewed after 12 months. As part of that process, will the devolved Administrations and Parliaments be consulted on the impact that decisions taken under EVEL have had, especially with regard to Barnett consequential?

**Chris Grayling:** It would be strange if we did not listen, at any stage of any change, to all the stakeholders in this place. If the devolved Assemblies wish to make representations to us at the end of 12 months, I shall of course be happy to listen to them.

**Pete Wishart** (Perth and North Perthshire) (SNP): The Prime Minister promised that the Procedure Committee would have a look at all the plans before anything was progressed. That obviously has not happened. Will the Leader of the House now make a commitment to ensure that not just the Procedure Committee but the Scottish Affairs Committee can look at the plans and approve them before there is any progression to English votes on English laws?

**Chris Grayling:** One of the things I did upon our return to this place after the election and my assumption of my current responsibilities was to discuss with the—then previous, and now current—Chair of the Procedure Committee how to handle these matters. I have agreed with him that his Committee will play a very active part in considering the impact of these changes over the next few months, and its views will be central to how we approach the review in 12 months' time.

3. **Mr David Hanson** (Delyn) (Lab): What consultation he plans to undertake on the Government proposal for English votes on English laws. [900873]

7. **Justin Madders** (Ellesmere Port and Neston) (Lab): What plans he has to consult the public in advance of the House's decision on English votes on English laws. [900878]

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** The Government's proposals were published on Thursday 2 July. Both before and after publication, there have been extensive discussions with colleagues from across the House, and such discussions will continue before the debate next week. This Government were elected on the basis of a manifesto commitment to deliver English votes for English laws, and opinion polls have indicated support for this principle in both England and Scotland.



**Mr Hanson:** The Government promised to consult the Procedure Committee before the debate next Wednesday. Will the Deputy Leader of the House tell us what discussions will take place with the Procedure Committee before any decision on the changes? Will she agree to meet an all-party delegation from north Wales to discuss the implications in our area?

**Dr Coffey:** I had the pleasure of responding to a debate on the effect of EVEL on north Wales, and I would be very happy to meet anybody concerned. I will today send out an email about drop-in sessions for any MP who wants to talk about the proposals in further detail. In answer to the first part of the right hon. Gentleman's question, I refer him to the answer just given by my right hon. Friend.

**Justin Madders:** In her initial answer, the Deputy Leader of the House referred to opinion polls as part of the consultation process. Does she agree that a poll is not a genuine consultation, but simply a gauging of opinion?

**Dr Coffey:** Opinion polls are a gauging of opinion. One opinion poll happened on 7 May—it was called the general election. Our proposals were in the manifesto, and they were voted for.

**Mr Christopher Chope** (Christchurch) (Con): The proposals in the manifesto covered public Bills. Why do the Government's current proposals not cover private Members' Bills, which are of course public Bills?

**Dr Coffey:** The Government have taken a modest step in addressing what is covered. If my hon. Friend wants to make further representations to the review, I am sure that the Procedure Committee and the Government will listen to his proposals.

**Nic Dakin** (Scunthorpe) (Lab): In the light of the Government's sudden and welcome change of approach to EVEL next week, will the Deputy Leader of the House outline how they intend to ensure that full and proper consultation takes place on a genuinely cross-party basis on this very important and difficult constitutional issue?

**Dr Coffey:** My right hon. Friend the Leader of the House has already made approaches to other parties. We are holding the open drop-in sessions—*[Interruption.]* Well, they are consultation sessions. I am not aware that the hon. Member for Wrexham (Ian C. Lucas) has approached me or the Leader of the House to have those conversations. I have already responded to the right hon. Member for Delyn (Mr Hanson). I remind the official Opposition that last autumn they were invited to have discussions, but they declined to do so.

#### Voting Rights (MPs)

4. **Ian Blackford** (Ross, Skye and Lochaber) (SNP): What his policy is on the voting rights of hon. Members in the House. [900875]

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** The Government's proposals, to which I assume the hon. Gentleman is referring, would ensure that all

MPs voted on legislation—on Second Reading, Report and Third Reading. The Government's proposals would ensure, however, that English and Welsh MPs, when they are affected, would consent to the new laws that affect only their constituents on subjects that are devolved elsewhere.

**Ian Blackford:** The Minister mentioned the opinion poll of the general election on 7 May. All Members from my party were voted in with full rights to represent the interests of our constituents. That is what the Government's proposals seek to take away. Also, she talks about a veto for English and Welsh MPs, but does she not recognise that we have a mandate from the Scottish people to implement home rule? It is the veto of Government Members that is stopping the people of Scotland getting their express wishes.

**Dr Coffey:** The people of Scotland voted to stay part of the Union last year. I respect the fact that the SNP have 56 MPs, but I would point out that in considering the Scotland Bill we are not debating individual Bills: we are debating the powers that will be transferred from the remit of the UK Parliament and Government to the Scottish Parliament and Government. That is a two-way conversation, and that is why all Members of the House may express their views during that deliberation.

#### House Business Committee

5. **Mr Graham Allen** (Nottingham North) (Lab): If he will take steps to establish a House business committee; and if he will make a statement. [900876]

**The Deputy Leader of the House of Commons (Dr Thérèse Coffey):** There was an absence of consensus on this issue at the end of the previous Parliament, and there is still no consensus at the beginning of this Parliament. The Government therefore have no intention of bringing forward proposals.

**Mr Allen:** I warmly welcomed the proposal in the Conservative party's 2010 manifesto for a House business committee. The consensus that the Minister mentions is one between the two Front Benches—the Government and the alternative Government. Will she consider the interests of Parliament in allowing it to have at least some small say in setting its own agenda?

**Dr Coffey:** The reforms that were voted on at the beginning of the 2010 Parliament gave much more time to Back-Bench business, to debate matters topical to Back Benchers. The hon. Gentleman will also note that we voted at the end of the last Parliament to add extra time in Westminster Hall for consideration of matters determined by Members of Parliament.

**Mr Peter Bone** (Wellingborough) (Con): The hon. Member for Nottingham North (Mr Allen) is absolutely right. The mother of Parliaments is grown up enough to run its own affairs, and the only disagreement is from the two Front Benches, who do not want to give up power. If we pass only legislation that has consent, we will get nothing through. That is an abject failure. We need a House business committee, so why not at least put it on the agenda, have a debate and let the House decide?



**Dr Coffey:** Members put the issue on the agenda all the time in these business questions, and they are right to do so to pursue their interests in that regard. However, I repeat what I said earlier: the Government have no intention of bringing forward those proposals.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): Many people in many parts of the UK are tied into mobile phone contracts, but they receive poor or little service. Will the Leader of the House give us a debate in Government time on that important issue to allow those people—

**Mr Speaker:** Order. No, we are not on those matters. It was an innocent error on the part of the hon. Gentleman, but that is nothing to do with a House business committee.

## HOUSE OF COMMONS COMMISSION

*The hon. Member for Mole Valley, representing the House of Commons Commission, was asked—*

### Palace of Westminster (Restoration and Renewal)

6. **Mr Douglas Carswell** (Clacton) (UKIP): If the Commission will encourage hon. Members to choose the cheapest option available to the public purse for the restoration and renewal of the Palace of Westminster. [900877]

**Sir Paul Beresford** (Mole Valley): The Commission is obviously always deeply concerned about cost, quality and the need to make a full assessment of the options. The Leader of the House is a member of the Commission and he will take the report to the Joint Committee.

**Mr Carswell:** When Portcullis House was built, the final bill way exceeded the initial cost estimates. What responsibility will the Commission take to ensure that that does not happen on an even bigger scale?

**Sir Paul Beresford:** Clearly, the answer will be a combination of the assessment that will be made and the normal following of procedures to try to stop that happening. I am very aware of that issue as a member of the Commission, and as the hon. Gentleman will know from my background, I do not like overruns.

## Waste Recycling

8. **Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): What steps have been taken to promote recycling of waste on the parliamentary estate. [900879]

**Sir Paul Beresford:** Parliament's recycling and recovery rate has increased, from 47% in 2008-09 to 62.5% in 2014-15. A new system of office waste recycling was implemented during Dissolution in Members' areas across the estate, using clearly marked, separate bins for mixed recycling. This is expected to make a significant contribution to helping Parliament to achieve its target to recycle or recover 75% of waste by 2021.

**Margaret Ferrier:** I thank the hon. Gentleman for his answer. As a new Member, I have noted that much more could be done to promote recycling on the estate, particularly of paper waste. I hope that, in addition to pursuing a digital strategy to lessen paper waste, the House will seek to become more adept at how it disposes of the masses of paper discarded each day and also clarify what happens to any leftover food.

**Sir Paul Beresford:** Clearly I agree with the hon. Lady. If she looks at the website, she will see there is an interesting waste hierarchy that we utilise in the Commons. First comes prevention, which she has touched on—not using as much paper—then comes preparing for reuse, recycling and other recovery, particularly energy recovery, and finally there is disposal.

## Business of the House

10.30 am

**Ms Angela Eagle** (Wallasey) (Lab): Will the Leader of the House give us the business for next week?

**The Leader of the House of Commons (Chris Grayling):** The business for next week is as follows:

MONDAY 13 JULY—Continuation of the Budget debate.

TUESDAY 14 JULY—Conclusion of the Budget debate. At 7 pm the House will be asked to agree all outstanding estimates.

WEDNESDAY 15 JULY—Proceedings on the Supply and Appropriation (Main Estimates) Bill, followed by a motion to approve a statutory instrument relating to hunting, followed by a general debate on English votes for English laws—the first of a two-day debate on that subject.

THURSDAY 16 JULY—Matters to be raised before the forthcoming Adjournment.

FRIDAY 17 JULY—The House will not be sitting.

The provisional business for the week commencing 20 July will include:

MONDAY 20 JULY—Second Reading of the Finance Bill.

TUESDAY 21 JULY—Second Reading of the Welfare Reform and Work Bill.

If I may briefly explain to the House, on Monday I will, having listened to comments from hon. Members, publish a modified set of draft Standing Orders on English votes for English laws. We will debate those on Wednesday. Subsequent to that debate, I will table a final set of Standing Orders, which we will debate at an early opportunity once the House returns.

**Ms Eagle:** I thank the Leader of the House for announcing next week's business, which has clearly been subject to last-minute, sudden change.

This week, the Government's reckless and shoddy plans for what they like to call English votes for English laws have descended into chaos. On Tuesday, the Leader of the House had to be dragged to this Chamber kicking and screaming to account for his complex and controversial plans, but it was clear from that debate that he did not even have the support of his own side. We then had the sorry spectacle of the Government abstaining on their own process while he fled the Chamber in embarrassment. He published 22 pages of draft changes to our Standing Orders, which he was proposing to ram through the House with minimal votes and debate next Wednesday. Now I am told that he is frantically re-drafting them in a desperate bid to regain the support of his own Back Benchers, which I assume is why they have not been laid.

This morning I hear the Leader of the House was summoned to the Prime Minister's office to account for his role in creating this mess. As we have heard, the outcome of that meeting appears to be two days' debate, rather than one, but we have still not seen these draft Standing Orders. The Leader of the House said he would publish them on Monday. Will he now give us an undertaking that when we have the debate with votes on EVEL, he will allow all amendments to be taken?

The original point that I raised in the debate on Tuesday was that the process by which he had decided to institute these controversial changes did not allow for a proper examination—an amendment process—of very complex changes to Standing Orders. Will he now give us an assurance at the Dispatch Box that whenever we get to vote on these changes—he has not announced when that will be—it will be done in a way that allows all appropriate amendments to be taken and voted on? Will he also say whether the Procedure Committee will get to look at the changes that he tables on Monday prior to this House voting on them, as he promised in his English manifesto?

Last night we learned from reports in the media that the Government intend to stage a sudden vote to wreck the Hunting Act 2004, which, in the muddle and confusion, they have now moved from Thursday to Wednesday. Why were MPs inundated with emails from pro-hunting groups who clearly knew about the timing of this vote before the Government had even announced it to Parliament? When will the statutory instrument be tabled? Can the Leader of the House confirm that it will remove the existing limit on the number of hounds that can flush a fox to guns, thereby effectively wrecking the Hunting Act? Does he agree with his own Sports Minister, the hon. Member for Chatham and Aylesford (Tracey Crouch), who said that the underhand way in which the Government are behaving amounts to relaxing "fox-hunting legislation via the backdoor"?

Why will not the Leader of the House allow more than 90 minutes for the debate? Will he confirm that it is indeed the Government's intention to wreck the Hunting Act using this back-door device because they do not have the majority to repeal the Act itself or the guts to try?

Yesterday the Chancellor's second Budget in four months rebranded parsimony as largesse and stole Labour policies in an attempt to disguise a savage attack on the poorest and most vulnerable in our society. He gave with one hand and hoped no one would notice just how much he took with the other. His so-called living wage con has already unravelled. The Living Wage Foundation has confirmed that it is not a living wage at all, and that in fact his plans amount to a cut in what the living wage is worth today. He said that

"Britain deserves a pay rise"—[*Official Report*, 8 July 2015; Vol. 598, c. 337.]

Despite that, the poorest working families will be massively worse off because he has slashed £4.5 billion from tax credits. With his sleight of hand he has impoverished millions of low-paid workers, disabled people and children just weeks after the Government conveniently redefined child poverty—and Conservative Members cheered him to the rafters for doing it.

This Budget could not hide the fact that growth has slowed, exports have stalled, and the economic recovery is still fragile. There was nothing in the Budget to challenge the Chancellor's woeful record on productivity, which the Office for Budget Responsibility has revised down for next year, and the year after, and the year after that. The Chancellor ducked all the big decisions on infrastructure, putting the northern powerhouse at risk. That is hardly surprising, as this week the Minister responsible for the northern powerhouse revealed that the Government have not yet actually worked out where the north is. I see that the Government's plan for

infrastructure and productivity will be published tomorrow—a day when the House is not even sitting. Will the Leader of the House explain why that was not done in a ministerial statement today?

The Conservatives have suddenly started claiming that they are the workers' party, and I am beginning to worry that they have taken it a bit too far. We have five-year plans, we have shameless propaganda on wages that bears little resemblance to the truth, and now we have a two-child policy. Whatever next—a portrait of the dear leader adorning Parliament Square?

**Chris Grayling:** I have listened to what the hon. Lady has said. Of course, she, from her time in government, would not understand the logic of this process. You table a draft, you listen to the people who read it, you make some modifications, you have a debate, and you then have a vote. It is called consultation. Labour Members never did that when they were in office; they just published their proposals and voted them through with a large majority. In a shock development, we have actually listened to hon. Members' comments. Labour Members ask for more time. The surprising thing is that the Labour Chief Whip spent the past few days going round Conservative Back Benchers saying, "Please, please vote for more time", yet if she had just come and asked me for more time I would have given it to her—and now I have. But that is the way they operate.

Labour is now essentially an English and Welsh party, so the question for Labour Members is whether they are going to vote for extra rights for English and Welsh MPs on matters that affect only their constituencies. Is Labour going to back our proposals or vote against them? If it is going to vote against them, I look forward to debating that on the doorsteps of this country, because I know where the voters of England and Wales stand; the question is whether Labour Members stand alongside them.

On the hunting issue—[*Interruption.*]

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I will not have louder noise coming from the Opposition Front Bench than from the Leader of the House. It's just not on.

**Chris Grayling:** The hon. Member for Rhondda (Chris Bryant) can't help himself, Madam Deputy Speaker, so you'll have to give him a bit of slack.

The hon. Member for Wallasey (Ms Eagle) talked about a "back-door device". Since when has a statutory instrument in this House been a back-door device? Ninety minutes is the normal length of a debate on a statutory instrument on the Floor of the House. The proposals that the House will debate next week will not lift the ban on hunting with dogs. They respond to the representations of upland farmers. Members of this House—certainly those on our side—will have a free vote in responding to the legitimate concerns that have been raised.

I come to the hon. Lady's comments on the Budget. Talk about hunting—the problem for the Labour party is that every single fox they had was shot yesterday in this Chamber. She said that the Chancellor had a woeful economic record. The only woeful economic record in this place in recent years was that of the last Labour Government. We have spent the past five years sorting

out the mess that was left behind. Yesterday, we saw some of the fruits of our work: tax cuts to give people in work more money in their pockets; a national living wage that reflects the work done by the people of this nation; support for business; and encouragement for investment in skills and technology—exactly the kind of things that this country needs to deal with the productivity issues that we inherited from the last Labour Government.

What was not in the hon. Lady's remarks this morning—and I am not surprised—was any reference to today's strikes. In the capital and across the south-west of England and Wales, the trade unions are disrupting the working lives of ordinary people. Government Members condemn those strikes as being utterly unnecessary, inappropriate and the wrong way to address the concerns. Have we heard a single voice of concern from the Opposition? Not one word. Perhaps that is because, as we learned this week, the hon. Lady is the second choice of Len McCluskey for the deputy leadership of the Labour party.

**Mr Nigel Evans (Ribble Valley) (Con):** Following the tragic suicide in May this year of Olive Cooke, who was hounded by the aggressive marketing tactics of leading charities, including being swamped with phone calls and letters, and following the exposure by the *Daily Mail* of the fact that those appalling practices are being used today against the most vulnerable and elderly in our society, may we have a debate to ensure that the code of conduct has teeth and that those grotesque practices stop forthwith?

**Chris Grayling:** I absolutely agree with my hon. Friend. The *Daily Mail's* campaign has been immensely valuable in highlighting a shocking set of practices. It is simply unacceptable for charities to exploit vulnerable, elderly people to raise funds. Charities that have been involved in such practices should be ashamed of themselves. Of course, the Charities (Protection and Social Investment) Bill is currently working its way through the other place and will end up in this House in the autumn. I say to charities that if they do not want the House to react sharply against what they are doing in those debates, they ought to get their house in order pretty quickly.

**Pete Wishart (Perth and North Perthshire) (SNP):** I, too, thank the Leader of the House for announcing next week's business.

Well, well—what an EVEL shambles! I am prepared to take the Leader of the House at his word that he is listening and is prepared to move on this issue. May I suggest a way forward that we could all agree on and work together on? We are grateful that we are getting an extra day's debate and that we will have more time to consider the issue, but now is the time for him to go to the Clerks, get a Bill and bring it to the House so that we can debate all the issues to do with English votes for English laws properly, given its historical significance and constitutional importance. We would then have the opportunity to amend it and to treat it like every other major piece of legislation. Will he commit himself to delivering that today?

There was a promise to go to the Procedure Committee. That was clearly broken—a manifesto promise made by this Government. Before anything happens, the proposals should go before the Procedure Committee and the



[Pete Wishart]

Scottish Affairs Committee. They should proceed only with the permission and say-so of those two Committees. Will the Leader of the House commit to that today?

Madam Deputy Speaker—[*Interruption.*]

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. The hon. Gentleman has the floor. Please continue.

**Pete Wishart:** I am very grateful to you, Madam Deputy Speaker.

We debated the Committee stage of the Scotland Bill for four days. Some 200 amendments had been tabled, and there were some 20 Divisions. How many of those amendments did the Government accept? Zero. None. Zilch.

The amendments were designed in the Scottish Parliament to improve the Bill and deliver the principles of the Smith commission. They were agreed by all parties in that Parliament, they were voted for by the Members who are sitting behind me now. None of them was accepted. We already have English votes for English laws, because all those amendments were voted down on the backs of English Members of Parliament: it was they who decided the votes. When will we get Scottish votes for Scottish laws in the House of Commons?

Finally, may I ask whether we can have an urgent debate on mis-selling and false labelling? What we heard yesterday was nonsense. The Government should have been pulled in front of the Advertising Standards Authority for describing what we heard about as a national living wage. I think that the people of the United Kingdom are waking up this morning and trying to understand what sort of nonsense this is. I am sure that we shall hear much more about it in the future, because we have never come across anything quite like it before. To call that a national living wage does not even do respect to the label.

**Chris Grayling:** The whole point about Standing Orders is that they are the way in which the House conducts its business. We have discussed that extensively over the last few weeks, and I have discussed it with the hon. Gentleman. It is the clear view of the people who put these proposals together in the last Parliament, and of some distinguished figures in and around this place—including former Officers of the House of Commons who are now in the other House—that Standing Orders are the way in which this matter should be conducted. However, I have said to the hon. Gentleman that I shall be happy to consider the possibility of legislation after we have tried the system out for 12 months, and I will listen to his representations during the review that will be carried out at that time.

Of course, if the hon. Gentleman wants the Scottish Affairs Committee to consider these matters over the next few months, he—as Chair of the Committee—is perfectly free to make representations to his colleagues about doing so. We will listen carefully to what that Committee says, as we do in the case of other Committees. As I have said, I have discussed our approach very carefully with the Chair of the Procedure Committee, who is entirely happy with it.

The hon. Gentleman has returned to the issue of the Scotland Bill pretty regularly since the House reconvened. He appears to be missing a crucial point—namely, that this is a United Kingdom Parliament, voting on proposals that affect the constitutional arrangements of the United Kingdom, and the Bill is therefore a matter for United Kingdom Members of Parliament. Similarly, when the rest of us vote on English votes for English laws, the hon. Gentleman and his colleagues from Scotland will vote on that as well. He asks why we cannot have Scottish votes for Scottish laws. The answer is that he has Scottish votes for Scottish laws already: he has had that since the 1990s, in the Scottish Parliament in Edinburgh.

If we are to have a debate on mis-selling, the mis-selling that we should be debating is the outrageous way in which the Scottish National party claims that fiscal autonomy would be fine and would not lead to a massive deficit in Scotland, huge tax increases for the Scottish people, and an economic disaster for that country.

**Damian Green (Ashford) (Con):** The lives of thousands of my constituents, and many other people in Kent, are being made miserable by the use of Operation Stack. Lorries parked on the M20 are causing traffic chaos across a large part of the county. Will my right hon. Friend arrange for a debate to be held in Government time, as a symbol that transport Ministers are determined to replace this wretched policy with something that will allow the people of Kent to go about their daily business when there are industrial problems in France?

**Chris Grayling:** I understand my right hon. Friend's concerns. Similar concerns have been expressed to me by his neighbour, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately). I understand the impact of what is happening on the people of Kent, and, indeed, on the lorry drivers who end up stranded on the motorway for days on end. I hope very much that the French Government will resolve the issue by sorting out the problems that are causing the challenges in Calais and are having a knock-on effect. I urge my right hon. Friend to raise the issue with the Home Secretary next week, but it is clear that the situation in Calais needs to be resolved in a way that will enable free trade to continue to flow through Calais and also end the problems experienced by his constituents.

**Siobhain McDonagh (Mitcham and Morden) (Lab):** Will the Leader of the House find time for a debate on how HMRC treats vulnerable taxpayers such as my constituent, Mrs Latimer, of Morden, who is her mother's carer and works part time as a guide for disabled children. She cannot read and write, she has learning difficulties and she has suffered a stroke. She is being fined £10 a day because she has been unable to complete her forms. She needs the protection of this House.

**Chris Grayling:** It is always important that Government agencies treat vulnerable people with great care, particularly when there are personal circumstances that make it difficult for them to deal with procedural issues. We have the Budget debate, when Treasury Ministers will be present. We also have Treasury questions in 10 days' time, but I am sure that Treasury Ministers will have noted the concerns she raised today.



**Geoffrey Clifton-Brown** (The Cotswolds) (Con): Can the Leader of the House confirm that the only reason he is able to bring to this House an SI on hunting is that the Labour Hunting Act 2004 provided the legal basis to do so, and that all it does is bring the provisions on hunting in England and Wales in line with those that work well in Scotland?

**Chris Grayling:** My hon. Friend is right. This is a simple reform. It does not do the kind of things to which the hon. Member for Wallasey (Ms Eagle) referred. The Labour party is struggling in Wales too, where it lost seats in the general election, and it might want to ensure that it considers taking steps that are helpful to Wales.

**Alex Salmond** (Gordon) (SNP): As it is now the fashion to have debates that straddle the recess, will the Leader of the House arrange for a debate on bell-ringing next week to reflect Tory MPs' reaction to the Budget, to be followed after the recess by a debate on hand-wringing, after they have had the opportunity to meet thousands of their low-paid constituents, who are going to lose hundreds of pounds as a result of the failure of the national living wage to match the withdrawal of in-work benefits? When the Tory party claims to be a one-nation party, does it mean that it has a mandate in only one out of four nations in these isles?

**Chris Grayling:** What the right hon. Gentleman and his colleagues never seem to understand when they talk about austerity is that austerity means living within our means. That ought to be a pretty basic premise for all of us in our own lives and in our national life. The SNP may appear to believe that we can borrow our way into the future; we do not. We believe we have to create wealth, jobs and prosperity for this country. Our way is the only way to do so. Their way is the way to ruin.

**Jake Berry** (Rossendale and Darwen) (Con): In rural areas such as Bacup, Tockholes, Whitworth and Edgworth in my constituency, tackling "not spots" is a much better solution than hard-wired superfast broadband. Will the Leader of the House ask the relevant Secretary of State to place a statement before the House explaining what progress the Government are making in tackling "not spots" in rural areas?

**Chris Grayling:** Ensuring that we have good broadband and good mobile connections around the whole country, particularly in rural areas, is essential. This Government have been working hard to try and improve things, as did the coalition Government. I will make sure that Ministers are aware of my hon. Friend's concerns. He is right that it is essential to ensure that we have a modern, high-tech rural economy that can best equip people in those areas for their jobs and businesses.

**Barbara Keeley** (Worsley and Eccles South) (Lab): There was an absence from the Budget statement yesterday of any commitment to fund essential transport projects such as the electrification of the trans-Pennine link, although we did hear about Crossrail, as ever. Rail campaigning groups in my constituency are very disappointed because these cuts will mean no extra

rolling stock for our local rail lines, not just the Manchester-Leeds connection. May we have a debate on what the *Manchester Evening News* is now rightly calling the northern power cut?

**Chris Grayling:** I am a bit surprised that the hon. Lady appears so sceptical about Crossrail, which I thought her party had supported throughout the years. We are committed as a Government to one of the biggest programmes of rail modernisation that this country has seen for a long time. She talks about electrification. We will electrify the trans-Pennine route. She needs to look back at her party's record in government when, over 13 years, it electrified, if I remember correctly, 10 miles of railway line. We are setting in place a proper modernisation programme for our railways. Labour failed to do so even when it had the money.

**Sir Paul Beresford** (Mole Valley) (Con): I would be grateful if my right hon. Friend agreed to a debate in Government time on the way in which so-called Travellers are thwarting the whole essence of the planning system. I have a number of dreadful cases in my patch, including one where so-called Travellers have submitted applications followed by appeals for 10 years or more. They are building on the site as well as squatting on it. It is green belt land; they should not be there.

**Chris Grayling:** My hon. Friend makes an important point. It is a bit of a contradiction in terms—if someone is a Traveller, why are they establishing a fixed site to live on? My view is that every citizen of this country should be subject to the same laws as everyone else. We should not make exceptions for any groups, and it is an oddity that should be dealt with—people who claim to be Travellers should not be given special permission to establish fixed sites to live on permanently.

**Mr David Winnick** (Walsall North) (Lab): Millions of people will lose out as a result of the Budget, but, regarding other business next week, is the Leader of the House aware that despite all his denials, there will be a dishonest attempt to legalise foxhunting? A 90-minute debate is totally unacceptable and will be viewed with contempt by millions of people in the country who detest the very idea of foxhunting being brought back?

**Chris Grayling:** The hon. Gentleman will have the chance in that debate to make his point. I simply reiterate what I said earlier: this measure does not overturn the ban on hunting with dogs.

**Seema Kennedy** (South Ribble) (Con): Leyland has world-class tourist sites such as the British Commercial Vehicle museum and Worden Park, although we often lose out in tourist numbers to our larger white rose neighbour. May we have a debate on tourism in Lancashire?

**Chris Grayling:** My hon. Friend has already proved an effective advocate for her constituency. My family originates from Lancashire, and it is a fine county with many great historic sites. She and others who represent that county will continue to beat the drum for it, and at the various available opportunities, such as questions to the Department for Culture, Media and Sport, they will no doubt ensure that the Minister responsible for tourism also gets the message.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): Many people across the UK are tied into mobile phone contracts yet they have either poor or no service in the areas where they use their phones. Will the Leader of the House allow a debate in Government time on whether people should be given the same rights as those with landlines and broadband to switch or cancel those contracts?

**Chris Grayling:** The hon. Gentleman makes an important point, and it is simply not reasonable for companies not to offer the service that is being paid for. I know that he will use the next session of questions to the DCMS to raise that matter, and he might also find an opportunity to discuss it during the Budget debate over the next few days because it also has an impact on business.

**Philip Davies** (Shipley) (Con): May we have a debate on open prisons? On 3 February the then prisons Minister wrote in a written answer to me:

“Prisoners may no longer be transferred to open conditions or allowed out on temporary release if they have previously absconded,”

Imagine my surprise to read about Ross Underwood, who on May 24 absconded from HMP Springhill. The court heard that Underwood had a previous conviction for absconding from the same prison in 2009. May we have a debate to clear up the shambles relating to open prisons once and for all?

**Chris Grayling:** My hon. Friend knows that I took great interest in that area in my previous role as Justice Secretary. I do not believe it is acceptable for people who have previously absconded to be allowed back into open conditions, and I changed the rules to ensure that such things should not normally happen. He will undoubtedly raise the issue with my right hon. Friend the Justice Secretary, who I am sure shares my view on that.

**Fiona Mactaggart** (Slough) (Lab): It is two months since the general election and this House has appointed its Select Committees. The people of Britain face unprecedented threats to their security, yet we still do not know who the members of the Intelligence and Security Committee will be. Will the Leader of the House bring membership of that Committee before the House next week so that it can meet before the recess?

**Chris Grayling:** I think all parties are finalising their appointments to Select Committees. There are a number of Select Committees where that needs to be completed. It is very much my hope and expectation that that will happen as soon as possible, and hopefully before the summer recess.

**Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): Will the Leader of the House confirm that it is illegal to use a statutory instrument to wreck or repeal an Act—a fact the hon. Member for Wallasey (Ms Eagle) is well aware of?

**Chris Grayling:** My hon. Friend is right. This is a change permissible and provided for under the Hunting Act 2004. It does not reverse the ban on hunting with dogs. Hon. Members on both sides will have the chance to debate the issue next week.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Leader of the House is very keen for us all to accept austerity and live within our means. May we therefore have an early debate on the cost of HS2? The most recent evidence puts the estimate, with disguised and hidden costs, up to £160 billion at a time when the trans-Pennine electrification has been put on hold and the northern powerhouse is a sham. There is a conspiracy of silence on both sides of the House on HS2. Can the country really afford this wasteful project?

**Chris Grayling:** I remind the hon. Gentleman that HS2 was originally proposed by the Labour party. If we do not do something about the genuine capacity problems at the lower end of our rail networks, constituents in his northern seat will be affected. I am surprised, therefore, that he believes that we should not make the changes needed to improve things for his constituents.

**Andrew Bridgen** (North West Leicestershire) (Con): As the Prime Minister continues with our EU renegotiations, will he please reference the continued breach of EU treaties by the Italian Government with regard to foreign lecturers working in their universities? Known collectively as the *lettori*, these people have been discriminated against for more than 30 years. May we have a statement from the Government on how finally we are going to bring this injustice to a conclusion?

**Chris Grayling:** I hear the point my hon. Friend makes. He will want to raise it with the Foreign Secretary who, as he knows, has a number of discussions with his Italian counterparts. There will be an opportunity to do so in Foreign Office questions next Tuesday.

**Mr Douglas Carswell** (Clacton) (UKIP): Will the Leader of the House consider a debate to ensure the upper House is more fairly representative of the broad spectrum of political opinion in this country, so that it might at least try to retain the pretence of legitimacy?

**Chris Grayling:** I suspect the hon. Gentleman is referring to the fact that there are not many UK Independence party peers in the House of Lords. I suspect he is feeling lonely. He has no friends in this House, so I suspect he is looking for a few friends at the other end of this place.

**Sir David Amess** (Southend West) (Con): Will my right hon. Friend find time for a debate on NHS spending on agency staff? According to the organisation Liaison, they cost £3.3 billion last year—a rise of £793 million.

**Chris Grayling:** This is very much a concern for Members on both sides of the House. When we look at the challenges for our individual local hospital trusts, we realise that this is one of the biggest pressures they face. I remind my hon. Friend of the work my right hon. Friend the Health Secretary is already doing to try to address this issue. He will no doubt have heard my hon. Friend's comments today. We really do need properly to get to grips with this.

**Andrew Gwynne** (Denton and Reddish) (Lab): May I take the Leader of the House back to 1980? Baroness Thatcher's Government were one year old, the Commodore Pet computer was the height of technological advancement

and the first Pacer trains were developed as a short-term solution to rail capacity in the north of England. May I now bring him forward 35 years? With electrification cancelled, the Chancellor merely offers us an Oyster card to use on our now decrepit Pacer trains. May we have an urgent statement from the Transport Secretary on rail strategy for the north of England?

**Chris Grayling:** We have just had a statement on rail strategy and there will be further opportunities. I remind the hon. Gentleman of two things. First, he makes reference to the manufacturing of trains in the north. It was under the Government of Tony Blair and Gordon Brown that manufacturing in this country almost halved as a proportion of our national income. Secondly, Labour was in government for 13 years and had money in the bank, but electrified only 10 miles of railway. Under this Government, we have started to redress that woeful failure.

**John Glen (Salisbury) (Con):** This week is national organ donation awareness week, and my constituent Lucy Ryan is petitioning for a change in the law to provide for a soft opt-out to help the 6,800 people currently desperately awaiting a transplant. Will the Leader of the House make time for a debate or a statement from a Minister on this important issue?

**Chris Grayling:** I absolutely understand the sensitivity and difficulty of this issue. We have to weigh the need to have organs available for donation against our wish not to put pressure on bereaved relatives reluctant to go down that route. We have to approach this issue with great care. It is continually under consideration by ministerial colleagues in the Department of Health, but it is a sensitive issue that must be treated very carefully indeed.

**Keith Vaz (Leicester East) (Lab):** May I warmly welcome the Prime Minister's appointment of the right hon. Member for Rutland and Melton (Sir Alan Duncan) as his special envoy to Yemen? He cannot, however, visit Yemen because Yemen is in crisis. There are 21 million people facing a severe famine, and the Saudis continue to bomb parts of the country. When can we have an urgent debate or statement on this important matter?

**Chris Grayling:** The situation in Yemen is deeply troubling. It is one of many parts of the middle east going through an immensely difficult period, and there is clearly a serious humanitarian issue there. It is a difficult situation for the international community. The right hon. Gentleman will have the opportunity to raise his concerns with the Foreign Secretary when he is before the House next week, and I am sure he will choose to do so. We in this country, in whatever ways are available to us, will always seek to ensure peaceful outcomes to disputes across the whole middle east.

**Jeremy Lefroy (Stafford) (Con):** Last week, Alstom started work on the first of two new manufacturing and research facilities in my constituency covering high-voltage direct current and automation. May we have a debate on the vital importance of establishing world-class manufacturing and research facilities in the United Kingdom?

**Chris Grayling:** I am proud of and encouraged by the fact that this Government, like the coalition Government between 2010 and 2015, have started to turn around the

years of decline under the previous Labour Government in our manufacturing and research and development sectors. In those 13 years, manufacturing fell from about 22% to about 12% of our national income, and we lost crucial facilities, which means we now lack skills and technological capability for the future. The fact that facilities such as those in my hon. Friend's constituency are being built and developed and the fact that we have seen such success in the automotive industry in the past five years are signs that under Conservative leadership this country is finally turning things around in manufacturing and technology.

**Kate Green (Stretford and Urmston) (Lab):** May I support my hon. Friends the Members for Worsley and Eccles South (Barbara Keeley) and for Denton and Reddish (Andrew Gwynne) in asking for time for a full debate on the Government's strategy for rail in the north? Our constituents are dismayed at the pause in the electrification of the trans-Pennine railway, which will also delay the release of rolling stock to improve the passenger journey experience in other parts of the region. I know that our constituents would appreciate it if we could find time for a proper debate with Ministers about the Government's strategy in this area.

**Chris Grayling:** Of course, the hon. Lady and her colleagues will have the opportunity to raise this matter today and next Monday and Tuesday during the debate on the Budget, of which infrastructure investment is very much a part. It is on the agenda.

**Andrew Gwynne:** Not in the north.

**Chris Grayling:** The hon. Gentleman has only to look back at 13 years of Labour Government during which time absolutely nothing was done about this. We at least are starting a process of modernising our infrastructure. It is years too late, but that is because Labour did nothing about it.

**Henry Smith (Crawley) (Con):** Last year, former Crawley constituent Matt Bass died from suspected organophosphate poisoning. Many air crew and frequent flyers are at risk from faulty air intakes on many aircraft. May we have a debate on this issue please?

**Chris Grayling:** This issue has been cited for some time, and there are real worries about some things that have taken place. My hon. Friend refers to a tragic situation in his constituency. I believe that this should be considered by both the airlines and the transportation authorities. I know that my colleagues in the Department for Transport will have heard his concerns, but I will make sure that the issues he has raised are brought to their attention.

**Kirsten Oswald (East Renfrewshire) (SNP):** May we have a debate in Government time on the incredibly distasteful statement in yesterday's Budget, which means that a woman who has a third child as a result of rape will need to prove this to the Department for Work and Pensions in order to be eligible for tax credits?

**Chris Grayling:** The hon. Lady of course has the opportunity to raise that issue in the Budget debate. The Chancellor was clear yesterday that this provision



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will be designed to handle difficult cases in the most sensitive way possible. However, she must understand the necessity of putting in place a system of welfare that is grounded in common sense and designed to help people back into the workplace. She will know that there have been many examples of people with large families who are overt in their statements that they had such large families to take advantage of the welfare system. That should not happen. We want those people to have fulfilling lives—in work as well as in their families.

**Mr Peter Bone** (Wellingborough) (Con): The test of a good Leader of the House is whether he listens to the House and puts it above the Executive. The Leader of the House clearly listened to the request for more time to discuss Standing Orders, and he should be congratulated on that. Now that the second vote is clearly going to be in the autumn, will he make a statement next week confirming that it will be possible for the Select Committees on Procedure and Scottish Affairs to sit through the recess, if they want to—everyone knows that the recess is not a holiday—and then report, possibly before we have the second vote?

**Chris Grayling:** It is, of course, a matter for the Committees to decide when and how they sit and what comments they make. I have no doubt—I am absolutely certain about it—that when we come to the second day of debate, those who chair the Scottish Affairs Committee, the Procedure Committee and indeed the Public Administration and Constitutional Affairs Committee will wish to put their views across, and perhaps those of their members as well.

**Diana Johnson** (Kingston upon Hull North) (Lab): As Ministers in the Department for Transport failed to include Hull in the original plan for electrification of the trans-Pennine line, which I guess is not surprising given that the Government do not seem to know where the north is, and now that it has actually been paused, may we have a debate on what will happen to Hull's privately financed plan to electrify the line between Selby and Hull, which now seems to be in jeopardy because of the Government's decision to cancel the scheme?

**Chris Grayling:** If the hon. Lady has specific concerns about transport affecting Hull, she will have the opportunity to raise them with Ministers over the next three days. She talks about us not knowing where the north is, but if I recall correctly, the last Labour Government left office with unemployment higher than when they started, and they did not deliver to places such as Hull the kind of investment that we are now seeing in offshore wind, which is generating thousands of new jobs in Hull and her part of the country. That is what this country needs. It needs investment in skills and new technologies, and a Government that supports business and ensures that jobs are created. That is what is happening.

**Rehman Chishti** (Gillingham and Rainham) (Con): It is now five years since Aisha Bibi, a Christian mother of five children, was imprisoned and sentenced to death after being falsely accused of blasphemy in Pakistan, and her health has continued to deteriorate. Having previously authored a letter signed by 54 Members of

Parliament of all parties to the Pakistani authorities asking for urgent justice in this case, may we have an urgent debate on religious freedom and support the release of Aisha Bibi?

**Chris Grayling:** Religious freedom should be universal, and we should not see people imprisoned for their religious views in any part of the world. That should never happen, and this country should always stand against it. My hon. Friend makes a really important point, and he will undoubtedly take advantage of next Tuesday's opportunity to bring it to the attention of Foreign Office Ministers. I commend him for the work he is doing.

**Dawn Butler** (Brent Central) (Lab): A recent report by the Competition and Markets Authority highlighted my early-day motion 238, which stated that people using pre-payment meters were paying up to £226 more than those on the cheapest energy tariffs.

*[That this House notes the recent Ofgem report calling on all energy suppliers to treat prepayment meter (PPM) customers fairly; further notes that households need more support in switching to different tariffs and method of supply; believes that companies should abolish the charge for installing PPMs as this adds to debt and investigate the best way to establish a price to beat so that consumers can trust the price they pay is fair; further notes that energy companies apply through the courts for warrants to transfer customers with fuel debt on to PPMs, the very people who are least able to afford high tariffs; further believes that meters should not be routinely used to pay off debt as this leads to self-disconnection; further believes that stronger safeguards are required for the issue of warrants and the authority forcibly to install PPMs where households include vulnerable children or adults; and further notes that the expansion of smart meters into homes presents safeguarding challenges to avoid homes being put at risk of disconnection by a simple click of a mouse.]*

Will the Leader of the House make time to have a debate in the Chamber to discuss this addition to household debt for those who can least afford to pay a higher tariff?

**Chris Grayling:** I commend the hon. Lady for the work she is doing on this issue. Of course it is right and proper that energy companies should take into account the pressures that some people in our society are facing. I will ensure that her concerns are drawn to the attention of my colleagues, and I know that she will take advantage of the opportunities that the House provides to continue to raise her concerns.

**Mr Philip Hollobone** (Kettering) (Con): My lorry driver constituent, Peter Clark, from Desborough, is facing a £2,000 fine because five Vietnamese illegal immigrants were found in the large cement mixer that he was bringing to this country from Italy. When he got to Calais, he asked the French authorities to inspect the open trailer, because he had been unable to secure it. They said that they could not help him because it was too early in the morning, they had no torches and their ladder was locked up. May we have a statement from our Immigration Minister about what Her Majesty's Government are doing to ensure that the French fulfil their responsibilities in regard to stopping the flow of illegal immigrants into our country?



**Chris Grayling:** It is difficult for me to comment on an individual case, but I would always want lorry drivers to be treated fairly by the system. I want those who are innocent of any crime to be judged innocent of any crime. My hon. Friend makes a really important point. There is close collaboration between our Home Office and the French Interior Ministry, and we are working as hard as we can to ensure that the French Government fulfil their obligations in Calais. We are also doing our bit to help them by, for example, providing additional secure fencing.

**Holly Lynch (Halifax) (Lab):** Yesterday I secured a 90-minute Westminster Hall debate to consider the report of the United Nations independent commission of inquiry into the 2014 Gaza conflict. The debate was chaired by the hon. Member for Kettering (Mr Hollobone), who did a great job and made every attempt to accommodate the contributions of all those who attended. Unfortunately, the debate was so over-subscribed that speeches were limited to two and a half minutes with no interventions. It was agreed by everyone, including the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Bournemouth East (Mr Ellwood), that we would seek to bring the issues to a debate in this Chamber, so that we could explore them in more detail. Can the Leader of the House give us the time to do that?

**Chris Grayling:** I probably cannot, because I do not have the time to give to the hon. Lady, but I can tell her that we set up the Backbench Business Committee precisely for these purposes. It can allocate time for when we return in the autumn, and this is precisely the kind of thing for which that debating time should be used. I hope that she will approach the hon. Member for Gateshead (Ian Mearns), who now chairs the Committee, and put on his agenda the fact that the House would very much welcome the opportunity to debate this matter.

**Mims Davies (Eastleigh) (Con):** Those who serve in our armed forces are true heroes and great heroines, and they deserve the grateful thanks of this House and this nation. Will my right hon. Friend answer the call of constituents of mine such as Laurie Loveless for a debate on instituting a national defence medal for those who give long service to our armed forces?

**Chris Grayling:** My hon. Friend makes an interesting point. That is not an idea that I have heard before, but it is an intriguing request. She is absolutely right to say that those who serve our country do us all an enormous service. They are heroic in what they do and in the sacrifices that they sometimes make. There will be Defence questions on Monday, and I suggest that if she puts her point to Ministers at that time, they will be interested to hear it.

**Liz McInnes (Heywood and Middleton) (Lab):** May we have a debate on the attempt to impose night working on tube workers, to discuss the need to enter into proper negotiations and reach agreement with the trade unions on proper and safe staffing levels and working arrangements?

**Chris Grayling:** I am glad that the hon. Gentleman has raised this issue—

**Fiona Mactaggart (Slough) (Lab):** Excuse me—she is an hon. Lady!

**Chris Grayling:** I am sorry. I am very glad that the hon. Lady has raised this issue, because this highlights the difference between us. I look at the fact that tube drivers are paid something like twice the amount that nurses, paramedics and others in our public services are paid. I also look at the disruption that is being caused in London today. Some people are having to work from home, some are unable to get to essential jobs and some are having to walk long distances across the capital because a group of well-paid people are holding this nation to ransom. I think that that is unacceptable and that we should condemn it. Will she?

**Mr Ranil Jayawardena (North East Hampshire) (Con):** Many of my constituents rely on the railways to get from Fleet, Winchfield, Hook, Bramley and Basingstoke to work. Will my right hon. Friend ask for a statement on how we can have faster, longer and better trains as part of the new franchise that this Government are moving towards?

**Chris Grayling:** I declare an interest in this matter, as my hon. Friend and I share the same rail franchise in our two constituencies. I very much want to see longer trains, and I hope to see them come into force shortly. This Government have made financial provision for longer trains across the South West Trains route. Much work still needs to be done on that front, but he and I will both be making representations on that matter to the new franchisees.

**Steven Paterson (Stirling) (SNP):** As the Leader of the House will be aware, the Sewel convention and a memorandum of understanding govern relations between the UK Government and the Scottish Government where competences overlap. Given that the UK Government are in favour of English votes for English laws, but not Scottish votes for Scottish laws, will that matter be considered in a debate next week, or should we throw the memorandum in the bin?

**Chris Grayling:** The hon. Gentleman keeps missing the point. We already have Scottish votes for Scottish laws; it is called the Scottish Parliament. The reason we are having this debate is that the laws on Scotland are made in Edinburgh, but laws on England, in areas such as health and education, are made here, decided on by Members of the United Kingdom Parliament. All we seek to say is that when a constituency in England or Wales is exclusively affected by a change, then its Member should have the decisive say in what happens.

**Alex Chalk (Cheltenham) (Con):** Slow broadband afflicts too many of my constituents in Cheltenham. I know that positive steps are being taken locally, but can we have a statement on what more can be done nationally to ensure that the Government's target of getting all Britons out of e-poverty and onto 2 megabits per second is achieved?

**Chris Grayling:** This is an enormously important issue. The success of this country will depend on the quality of the technology we have available to carry out our daily work. My right hon. and hon. Friends in the

[Chris Grayling]

Department for Culture, Media and Sport will have heard the comments that were made earlier about the availability of mobile signals in rural areas. I can assure my hon. Friend that this will continue to be a priority for this Government.

**Cat Smith** (Lancaster and Fleetwood) (Lab): Many of my constituents are glad that they do not have to travel on the Pacer trains, but those trains have been replaced by class 37s, which were built in 1960 and are long past their sell-by date. May I echo the concerns that have been expressed by my hon. Friends on this matter and call for a debate on rail in the north and where it is going?

**Chris Grayling:** The Labour party has a substantial allocation of Opposition days. If it wants a debate on rail in the north, it can choose to have one. I simply repeat what I said earlier: in 13 years of Labour Government our rail network essentially stood still. It is only under this Government that we are trying to take it forward.

**Tom Pursglove** (Corby) (Con): My hon. Friend the Member for Kettering (Mr Hollobone) made a mistake earlier when he said that the highlight of the women's tour was in Kettering; it was in fact the stage in rural east Northamptonshire. Those villages are affected by rural crime, which is a problem that crosses the border between Northamptonshire and Lincolnshire. May we have a debate on rural crime and the important cross-border policing that has to take place to tackle it?

**Chris Grayling:** My hon. Friend is absolutely right. It is important that police forces do not simply concentrate on the urban areas. They need to remember the impact of crime on villages, and especially on rural businesses. One thing I sought to do as Justice Secretary was to ensure that the voice of business was more clearly heard in our justice system by allowing businesses to make clear statements in court about the impact of what might seem to be trivial crimes on their businesses, but which can in fact be hugely disruptive. My hon. Friend might look to the Backbench Business Committee for an opportunity to have such a debate, because this is a matter that affects MPs on both sides of the House.

**Ian Mearns** (Gateshead) (Lab): I am sure that Members on both sides of the House will have noticed the complete absence in the business statement of any time for debates on subjects nominated by the Backbench Business Committee. Will the Leader of the House please allocate us at least some time before the recess, and use his influence to extract the names of nominees for the Committee from the Conservative party? Names from the Labour party and the Scottish National party are already in place. Can we please have those other names so that the Committee can convene and, hopefully, get some time allocated to take up the interests of Members, particularly those sitting behind the right hon. Gentleman, for nominated debates from the Backbench Business Committee?

**Chris Grayling:** I am keen to see all Select Committees, including the Backbench Business Committee, set up as quickly as possible. The hon. Gentleman talks about

the delays in getting names, but the problem is not limited to the Government side of the House; some elements still need to be brought forward from all parties in the House. As soon as we can get these Committees up and running, we will.

**Kevin Foster** (Torbay) (Con): A former gasworks at Hollacombe in my Torbay constituency is the subject of a housing development that requires major decontamination work this summer. I have supported local residents and the head of Preston primary school, Mr Kenneth Kies, in calling on the council and developers to hold a public meeting to explain how that will be done safely. That request has been declined. May we have a debate on how those who undertake developments affecting contaminated land can be required to explain how their works will be undertaken safely in the surrounding local community?

**Chris Grayling:** My hon. Friend makes an important point, and it is good to see an active Member of Parliament for Torbay, making representations on behalf of that constituency. He will undoubtedly do a fine job over the next five years. His comments will have been heard by Ministers today, but I suggest that he seek to initiate an Adjournment debate to raise this issue directly with the relevant Minister. It is obviously a concern. We want developments to proceed at pace, particularly on brownfield sites, where they will not have a damaging impact on our environment.

**Chris Stephens** (Glasgow South West) (SNP): The Leader of the House will recall that I joined Members on both sides of the House a week ago in calling for a debate on delays to the Chilcot inquiry. Patience is wearing thin, certainly among the constituents I represent. Will the Leader of the House ask the Government to hold a debate before the recess so that Members on both sides of the House can debate whether more robust action is required and our constituents can get the answers that they surely deserve?

**Chris Grayling:** The hon. Gentleman's frustration is shared across the House and in the Government. We would prefer to have seen this report published long ago. We are keen to see it published as soon as possible. It is an independent report; we do not have control over the timing. I have absolutely no doubt that, when the report is completed, lessons will need to be learned about how inquiries are conducted, so that things cannot happen this way in future.

**Justin Madders** (Ellesmere Port and Neston) (Lab)  
*rose—*

**Madam Deputy Speaker (Mrs Eleanor Laing):** And the prize for patience this morning goes to Mr Justin Madders.

**Justin Madders:** Thank you, Madam Deputy Speaker. The introduction of employment tribunal fees is one of the most calculated, callous and unfair acts of the last Government, so I was pleased that a review of the system will take place. However, I was disappointed to learn that it will be an internal Government review only. Will the Leader of the House make time to debate that in the House, so that we can hear about the access to justice that has been denied to thousands of people as a result of the introduction of these fees?

**Chris Grayling:** I am afraid that the hon. Gentleman and I are simply not going to agree on this. The change was necessary. We are a Government who believe in business and job creation. The whole way in which our tribunal system was being used was a barrier to job creation. We now have a system that is fair and proportionate. Yes, we are reviewing it, but it is absolutely my view that the change we put in place is essential to ensure that small businesses hire people, rather than backing away from taking that recruitment decision.

## BILLS PRESENTED

### WELFARE REFORM AND WORK

*Presentation and First Reading (Standing Order No. 57)*

Mr Secretary Duncan Smith, supported by the Prime Minister, Mr Chancellor of the Exchequer, Secretary Greg Clark, Greg Hands, Mr Oliver Letwin and Priti Patel, presented a Bill to make provision about reports on progress towards full employment and the apprenticeships target; to make provision about reports on the effect of certain support for troubled families; to make provision about social mobility; to make provision about the benefit cap; to make provision about social security and tax credits; to make provision for loans for mortgage interest; and to make provision about social housing rents.

*Bill read the First time; to be read a Second time tomorrow; and to be printed (Bill 51) with explanatory notes (Bill 51-EN).*

### HEALTH SERVICES COMMISSIONING (EQUALITY AND ACCOUNTABILITY) (No. 2)

*Presentation and First Reading (Standing Order No. 57)*

Rehman Chishti, supported by Tom Brake, Yasmin Qureshi and Jeremy Lefroy, presented a Bill to make provision to reduce inequalities in the health care received by people with mental illness and people with learning disabilities; to require commissioners of health services to make an annual report to the Secretary of State on the equality of service provision to, and the health outcomes for, such people and of their qualitative experience of health care services; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 11 September 2015; and to be printed (Bill 52).*

## Ways and Means

### Budget Resolutions and Economic Situation

#### AMENDMENT OF THE LAW

*Debate resumed (Order, 8 July).*

*Question again proposed,*

That—

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

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

- (a) for zero-rating or exempting a supply, acquisition or importation;
- (b) for refunding an amount of tax;
- (c) for any relief, other than a relief that—
  - (i) so far as it is applicable to goods, applies to goods of every description, and
  - (ii) so far as it is applicable to services, applies to services of every description.

11.29 am

**Chris Leslie** (Nottingham East) (Lab/Co-op): Good morning, Madam Deputy Speaker.

When one cuts through the rhetoric and the headlines that the Chancellor spun, one sees that yesterday's Budget leaves working people worse off. It is the working families of Britain on low incomes, trying their hardest to do the right thing, who will pay the price for the gap between what the Chancellor said and the truth of what his Budget actually means. The Office for Budget Responsibility has flatly contradicted the right hon. Gentleman's claim to have lowered taxes, pointing out on the first page of its analysis that tax increases are twice as big any tax cuts over the course of this Parliament. It is a Budget that is entirely concerned with chasing headlines to further the Chancellor's well known political ambitions, rather than putting the working people of Britain first.

Pulling the rug from under people on low incomes with a hefty work penalty in the tax credits system—3.3 million working families will lose out from these changes, with 500,000 families losing tax credits entirely—despite Tory denials before the election, will hurt those in work.

**Mrs Sheryll Murray** (South East Cornwall) (Con): Will the hon. Gentleman give way?

**Chris Leslie:** The hon. Lady is very keen, and I give way to her enthusiasm.

**Mrs Murray:** Will the hon. Gentleman confirm that former Chancellor Alistair Darling told a meeting this morning that

“Labour is in disarray... We are paying the price of not having a credible economic policy”?

**Chris Leslie:** I did not realise that the hon. Lady was a conduit for the former Labour Chancellor of the Exchequer. I will certainly look closely at what he said, but I did not hear him say those words this morning.



[Chris Leslie]

I want to ask Ministers about the work penalty that they have introduced into the tax credits system. Did they know before the election that they were going to hit those who needed tax credits to make work pay, or was it deliberately hidden from public view because of the shock that such a cut to incomes would create? This was a Budget that exposed the Chancellor's skewed priorities—a Budget that failed to build the more productive economy that we need, that ducked long-term decisions on vital infrastructure projects, and that sought to substitute spin for the support people need to go to work.

**Several hon. Members** *rose*—

**Chris Leslie:** I will give way to the very eager Conservative Members in a moment, but I want to make a little progress.

We do recognise that sensible savings are needed to get the deficit down, and we will support measures that tackle tax avoidance and control overall household benefit levels. We regret that the Budget fails to address the overpayments and errors in welfare expenditure, which have ballooned in recent years during the welfare Secretary's time in office, let alone his lamentable record on delivering the mythical universal credit, for which so many people are still waiting. As my right hon. and learned Friend the acting Leader of the Opposition said yesterday, we will be a responsible Opposition; we will not oppose for opposition's sake, and we welcome a number of the Budget measures.

**Several hon. Members** *rose*—

**Chris Leslie:** Let me pick who I want to give way to. I give way to the hon. Member for Thornbury and Yate.

**Luke Hall** (Thornbury and Yate) (Con): Alistair Darling used a very simple set of words. He said:

"Labour is in disarray"

and is

"paying the price of not having a credible economic policy."

Does the hon. Gentleman agree?

**Chris Leslie:** I have not used those words. The hon. Gentleman is reporting words that have apparently been said.

I believe it is important that the Opposition today look at the spin and the headlines that the Chancellor created in his Budget yesterday. Less than 24 hours later, the Budget is beginning to unravel—[*Interruption.*] Have I said something wrong? The Budget is beginning to unravel and I will explain why, but in the spirit of magnanimity I want to explain that there are Budget measures that we welcome. The Budget fails to address the long-term challenges Britain faces—[*Interruption.*]

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I am desperate to hear what Mr Leslie is going to tell us. Keep shouting and you will not even be able to ask the right questions.

**Chris Leslie:** Thank you, Mr Deputy Speaker.

Many parts of the Budget were suggested by Labour in recent months. Abolishing permanent non-dom status—that sounds very familiar to my hon. Friends. Increasing

the minimum wage—again, we have repeatedly called for that. We welcome any action on low pay—by the way, the Conservatives opposed the creation of the national minimum wage in the first place—but this so-called national living wage is unravelling as it becomes clear that it is nothing of the sort. It is the rebranding of an increase in the national minimum wage—as I say, Labour created that in the first place—which, with the tax credit changes, will still leave working families worse off.

We will support steps to tackle tax avoidance—again, we have consistently pressed the Government on that—but this Chancellor has a poor record on hitting tax avoidance targets, with the amount of uncollected tax increasing to £34 billion last year and his so-called tax deals continually failing to bring in the revenues he predicted. In yesterday's Budget, the Conservatives broke their manifesto promise to deliver £5 billion of savings by 2017-18. The Chancellor made that promise at the last general election, and he is now saying that we might perhaps get it by the end of this Parliament. We will file the supposed £5 billion of tax avoidance measures in the "believe it when we see it" category.

**Frank Field** (Birkenhead) (Lab): May I say how much I welcome my hon. Friend's statement that Labour welcomes the Government's announcement yesterday to move towards a living wage? Will he confirm in the Chamber what he has said elsewhere—that we will engage very constructively, looking imaginatively at the Red Book, to try to make this more comprehensive and to extend it to the public sector? Does he accept that the more success we have in developing this idea with the Government, the fewer people will be eligible for means tests, and that our aim is not to change means-tested benefits in line with such increases, but to make sure that people can earn enough not to be eligible for means-testing?

**Chris Leslie:** My right hon. Friend is right that we should be thoughtful about the Government's proposals. It is sometimes difficult to see through the political fog of the games that the Chancellor is trying to play and the tactics he is trying to use. Oh, the look of innocence on his face! My right hon. Friend is right that it is important to take on questions of welfare reform and work through them methodically. We will not oppose everything just for the sake of it. My right hon. and learned Friend, the acting Leader of the Opposition, was right to say yesterday that while that might be the temptation, we will look at the proposals and be reasonable about those we can support.

We welcome the steps taken in the Budget to reduce pension tax relief for the highest earners, and of course the rise in the personal allowance threshold, as we support steps to cut taxes and try to get a better settlement for those in work.

**Mr Nigel Evans** (Ribble Valley) (Con): Does the shadow Chancellor agree that the Government are absolutely right to work towards a situation in which nobody is better off out of work than in work? If so, why did Labour do nothing about it when it was in power?

**Chris Leslie:** The hon. Gentleman was doing so well until the little barb at the end of his intervention. Of course we want a situation—there is more political

consensus on this than people perhaps realise—in which people in work are better off than they otherwise would be. The problem, which I will come on to later, is the Chancellor's approach with this particular set of Budget measures. He is pulling the rug from beneath people's feet while higher wages are not yet available. When we look at the package as a whole, we see that people will be worse off during that period. He cannot just shovel that beneath the rug.

**Several hon. Members** *rose*—

**Chris Leslie:** I want to make some progress, but I will give way again in a minute. *[Interruption.]* I will give way now to the hon. Member for Rossendale and Darwen (Jake Berry) if he wants to intervene. *[Interruption.]* He complains that I am not giving way, but he does not want to intervene.

We will not support self-defeating false economies in the Government's approach to social security. We do not support an approach that will leave more than 3 million working families poorer, and in turn mean that the poorest children are more likely to grow up into poor adults, which will cost society far more in the longer run.

The Chancellor and Ministers on the Front Bench have a track record when it comes to false economies, particularly during the last Parliament. They scale back nurse training, and then spend a fortune hiring nurses from private agencies, as my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) knows. They cancel major road schemes, such as the one involving the A14, and then revive them later on at vast expense. They pay redundancy to senior officials at the Ministry of Defence or the Foreign Office, and then rehire them at higher cost. They restrain local councils from tackling fraud in housing benefit, and then the level of overpayments escalates to £1.5 billion. They reduce the number of Her Majesty's Revenue and Customs staff so that phone calls go unanswered from businesses that need to get through, and then are surprised when the tax gap gets wider and revenues go uncollected. And we have a Chancellor with the gall to boast of a northern powerhouse while simultaneously pulling the plug on the electrification of major commuter rail lines.

**Andrew Gwynne** (Denton and Reddish) (Lab): My hon. Friend will understand the dismay of many across Greater Manchester and the wider northern regions, not just at the pause in the electrification of the line between Manchester and Leeds—and the implications that will have for rolling stock in the north of England—but at the insult from yesterday when we were told that we will get an Oyster-style piece of plastic to use on our Pacer trains.

**Chris Leslie:** It has been said many times, but the powerhouse has become a power cut. As time goes on, many—not just in the north but in the midlands—will see through the rhetoric to the reality that they are experiencing.

The Government are undercutting, not supporting, a productive economy. It says everything about the Chancellor that the impact of his Budget has been to worsen the outlook for productivity in our economy over the rest of this Parliament rather than to improve it. The OBR has

done the calculations and its prediction is on page 77 of its report. Its conclusion is stark. The Opposition know that more productive businesses, and a more productive economy, are the key to a virtuous circle of higher growth, higher living standards and, as a consequence, more effective deficit reduction. For the Conservatives, productivity springs magically from thin air, but for us it is decent infrastructure and decent public services that can make all the difference to business success.

In his March Budget, the Chancellor did not even mention productivity, so perhaps we should be glad that he at least found time to mention it yesterday, even if we are still waiting for the much trumpeted productivity plan. I gather that it will be published on Friday, although the House is not actually sitting that day so we will not be able to scrutinise the details. Under this Chancellor, UK productivity has, in the words of the Office for National Statistics, undergone a period of “unprecedented” stagnation.

**Rebecca Pow** (Taunton Deane) (Con): I have spoken to leading businesses in Taunton Deane this morning and the Chancellor's Budget has been broadly described as “great stuff”. It will load the scales in favour of hard-working people. Surely the shadow Chancellor must consider that a positive policy, unlike the disarray of the Labour party's economic policy, as mentioned today by the former Labour Chancellor.

**Chris Leslie:** I am astonished: a Conservative Member of Parliament reports positive feedback on the Chancellor's Budget. I never thought I would hear that: I am aghast.

**Alex Salmond** (Gordon) (SNP): The shadow Chancellor may remember that during the Scottish referendum debate last year I described Alistair Darling as “a Tory front-man”. Given what we have heard this morning, might there have been a grain of truth in that remark?

**Chris Leslie:** I have not read the comments by the former Chancellor, although I keep hearing about them from Members. I will have a good look at them, but it is important that we scrutinise the Government's record on productivity. Unless we improve productivity in our economy, we will not generate the revenues to deal with the deficit and raise living standards. In 2012 and 2013, our productivity growth was negative, and last year it was just 0.2%. That compares to an average of 2.2% under the Labour Government from 1997 until the global financial crisis hit. It is, therefore, almost beyond belief that on the OBR's analysis the Budget could lead to lower productivity growth, now estimated to be 0.4% lower than the forecast for next year, 0.2% lower in 2017, 0.1% lower in 2018 and 0.2% lower in 2019—productivity down next year, the year after, the year after that and the year after that.

**Geraint Davies** (Swansea West) (Lab/Co-op): Is not one of the reasons for that the fact that the Government are creating lots and lots of low-paid jobs and substituting them for high-paid jobs? In particular, there are 800,000 fewer people earning over £20,000 now than there were in 2010. Is that not a catastrophic record of falling productivity? We want to stand up for the middle earners rising, not just the lowest earners.

**Chris Leslie:** Government Members will not be interested in scrutinising the compositional issues that are arising in our economy, but the share of jobs that are high-skilled is shrinking back, according to the Office for National Statistics, and being replaced by an increasing share of low-skilled jobs. That is definitely something to be concerned about. In fact, the OBR has voiced its concerns about the productivity threat to our economy, saying:

“If productivity fails to recover as predicted but wage growth continues to accelerate, the MPC could be forced to raise interest rates more quickly”

and wage growth will fall short of its forecast.

**Craig Whittaker** (Calder Valley) (Con): Having worked in retail for 30 years before coming to this place, I regularly saw good, hard-working people who wanted to work extra hours being prohibited from doing so because of the loss of tax credits. Does the hon. Gentleman agree that the announcements yesterday on reforms of tax credits and on a living wage will finally break the shackles for those people and let them take control of their own destiny?

**Chris Leslie:** Hold on. Let us just pause to scrutinise that. I think the hon. Gentleman just said that people should be grateful that they are having those tax credits taken away because that will free them up and make work pay—[*Interruption.*] Hon. Members speaking from a sedentary position call those tax credits a perverse incentive. I just do not think they understand the lives of those on low pay who are struggling to make ends meet and who rely on the support that tax credits have been able to give. That work penalty is going to cause real problems.

**Siobhain McDonagh** (Mitcham and Morden) (Lab): If only what the hon. Member for Calder Valley (Craig Whittaker) said was true and there was an incentive. Actually, the former Chancellor stated that the tapers on tax credits would become worse, so that for every pound over tax credit level that people earn, more of it will be taken away—they will have to pay marginal tax rates of 90% on every extra pound they earn, making it harder for them to get off benefits, not easier.

**Chris Leslie:** That is very much our critique of the Government today. Of course we want a higher-wage environment and of course we want those jobs to be there, but if we take away that support at that crucial moment, we are going to make people's lives much, much harder.

**Several hon. Members** *rose*—

**Chris Leslie:** I would like to make a little progress if I may, because a lot of Members want to get in. In particular, I want to continue to focus on productivity, because there were a number of ways in which the Chancellor's Budget fell short.

**Alan Mak** (Havant) (Con): Will the hon. Gentleman give way?

**Oliver Dowden** (Hertsmere) (Con): Will the hon. Gentleman give way?

**Chris Leslie:** No, not yet.

There was no mention of science or research and development in the Budget speech and no steps to increase mobility in the housing market. In fact, the OBR says that 14,000 fewer affordable homes will be built by 2021. How on earth that helps to reduce the housing benefit bill, I do not know. At the same time, the Government are delaying rail improvements, systematically decimating renewable energy investment and kicking the decision on airports into the long grass. There are tough choices to be made, and lower priorities where savings can be made, but the Chancellor has failed to prioritise those public services that boost productivity, and that will cost the country more in the longer run.

Seven Budgets on, it is time that that this Chancellor took some responsibility for his failure to eliminate the deficit this year, as he promised; for the drag on our economy and public finances caused by woeful performance on productivity; for the stagnation in living standards; and for the overruns in the social security budget. Growth has been revised down by the OBR, as has capital investment. These are incredibly difficult times for the wider global economy, but where is the urgent help to support our exports and productivity to tackle that other deficit, which has worsened significantly under this Chancellor—

**Several hon. Members** *rose*—

**Chris Leslie:** I shall give way in a moment; I just want to talk about the other deficit: the current account deficit, where our trade gap with the EU has worsened and our balance of payments problems have set alarm bells ringing at the Bank of England. The Chancellor's priority should be to build up the productive capacity of our economy so we can pay our way in the world, but we are still too vulnerable to external turbulence. It should not be neglected in this way. Britain's current account deficit has widened to 5.9% of GDP, which the OBR states is

“the largest annual peacetime deficit since at least 1830”.

The OBR also reveals that the Chancellor is £367 billion short of his £1 trillion goal on exports that he promised by the end of this Parliament.

**James Cleverly** (Braintree) (Con): The hon. Gentleman has said several times that he is willing to support sensible measures to reduce the welfare bill. Can he assure the House that that comment will survive the imminent leadership elections in his party? [*Interruption.*]

**Chris Leslie:** Is the hon. Gentleman talking about the imminent leadership elections in the Conservative party or the Labour party? I do not know what is going to happen in the Conservative party leadership contest. There were of course a few little jokes about the hon. Member for Uxbridge and South Ruislip (Boris Johnson), and we will see how that pans out. I know that other Cabinet Ministers are a little concerned about the way that the Budget panned out for them; it is going to be difficult for them over the next few years.

This was the Chancellor's second Budget in four months. He said in March that that was his Budget for the longer term, yet four months on he has delivered a different plan to a different agenda. He has been chopping and changing, with three different sets of figures in the



past nine months alone—so much for his consistency. We learned more about the Chancellor and the nature of this Government in one hour of his Budget speech than we learned in the months of the election campaign. In March, when the Work and Pensions Secretary was pressed about where their £12 billion of welfare cuts would fall, he said:

“As and when the time is right, we will make it very clear what our position is.”

Is it any coincidence that the time is right for these Conservatives two months after an election rather than two months before it?

Before the election, the Conservative manifesto assured us that there would be only a two-year freeze in working benefits, but yesterday the Chancellor doubled that to a four-year freeze in most working-age benefits which will take £4 billion from households by 2020-21. That is one of the fastest-broken promises in political history. *[Interruption.]* There is an awful lot of noise from Conservative Members. I shall give way to the hon. Member for Richmond (Yorks) (Rishi Sunak) because he has been trying to intervene.

**Rishi Sunak** (Richmond (Yorks)) (Con): The shadow Chancellor mentioned the election campaign. In that campaign, the Opposition suggested that they would raise the rate of corporation tax—a move that would damage jobs and growth. Will he confirm that that is still Labour’s policy, or will he start backing British businesses?

**Chris Leslie:** I think the hon. Gentleman will find that we said in the election that we wanted to focus in particular on business rates. He will know from talking to small firms in his constituency that companies are concerned about the pressures on business rates, but where did the Chancellor mention business rates in yesterday’s Budget? We felt—*[Interruption.]*

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. There is far too much noise. In the end, I want to hear, I will hear, and I am sure that you agree with me. Let Mr Leslie speak. He will give way as and when. We do not need to be told that he has to give way; it is his choice.

**Chris Leslie:** We felt at the election that it was more important to prioritise support for businesses through business rates than through a change in corporation tax—but we lost the election. *[HON. MEMBERS: “Hooray!”]* Conservative Members feel the need to crow about these things, but the public will be concerned that they said one thing before the election and have done totally different things after it. Yes, the Conservatives did win a majority, but they hid their specific cuts from the electorate—they concealed them. It was a secret agenda, only now partly revealed.

Several hon. Members *rose*—

**Chris Leslie:** I will not give way because Conservative Members are not being reasonable and letting me make progress with my speech.

The impact of the work penalty in the tax credits system should have been set out at the election. A lone parent with two children working 16 hours a week on the minimum wage would gain just over £400 from the

move to the new national living wage, as the Chancellor calls it, but would lose twice that—£860—from the change to tax credits next year. A couple on the minimum wage who work full time and have two children will gain £1,500 from the change to the minimum wage but lose over £2,200 next year from the changes to tax credits. As the Government were hitting the low-paid, the Secretary of State for Work and Pensions was punching the air. Working families did not vote for that, and they will not be fooled by the Chancellor’s hollow words.

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith)** *rose*—

**Chris Leslie:** Is the Secretary of State going to punch the air? *[Interruption.]* There we go.

**Mr Duncan Smith:** May I just take the hon. Gentleman up on the case that he set out? I want to get the figures right. A lone parent with two children who works 16 hours on the minimum wage will, when we add in everything including childcare, actually be better off on the net figures after the Budget.

**Chris Leslie:** I will give way to the right hon. Gentleman again if he will confirm that the childcare promise, which was supposed to happen this summer, has been shelved until at least 2017. Is that correct? I will give way to him. This is a debate, so I will give way to him. He wanted to talk about the case studies. He thinks it is—*[Interruption.]*

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order on both sides, I cannot hear!

**Chris Leslie:** The Secretary of State has shot himself in the foot. He should read the small print of the Chancellor’s announcement. Without much fanfare, he left that childcare—

**Mr Duncan Smith** *rose*—

**Chris Leslie:** I have not finished. *[Interruption.]*

**Mr Deputy Speaker:** Order. The Whip needs to relax a little, and we cannot have two people standing at the Dispatch Box, as entertaining as that may be.

**Chris Leslie:** It is quite entertaining to see the Secretary of State struggle in this way.

**Mr Duncan Smith** *rose*—

**Chris Leslie:** Wait for it. Can the Secretary of State confirm—

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): On a point of order, Mr Deputy Speaker. Is it in order for the shadow Chancellor to say that he will give way to the Secretary of State and then not give way? *[Interruption.]*

**Mr Deputy Speaker:** Order. As a constitutional expert in this House, the hon. Gentleman knows that that is not a point of order.

**Chris Leslie:** I relish giving way to the Secretary of State, but he has to answer this question. We have given him a bit of time to think of an answer. He needs to explain the shelving of the childcare support. Will the support come in this summer—yes or no?

**Mr Duncan Smith:** I remind the hon. Gentleman that the figures I gave were for 2016-17 and they included the childcare.

**Hon. Members:** Ah!

**Chris Leslie:** So the Secretary of State is saying that the childcare change will come in at the beginning of that financial year—in 2016. We have heard it from the Secretary of State's mouth, so it must be true: the childcare changes will come in in 2016. That is the announcement from the Government. It is a bit of an improvement on the announcement we heard from the Chancellor yesterday, who I thought said that the childcare changes were being pushed back to 2017.

The reasons that the cost of social security is £25 billion higher than the Conservatives expected are the underlying drivers of low pay, higher housing costs and insecure work. For all the Chancellor's spin, this is a Budget that attacks the low-paid and will leave many people in the lurch, unable to make ends meet. If the Conservatives think a solution is to pull the rug from beneath the poorest, stigmatise claimants, rub out the statistics that measure child poverty and hope that the issue will go away, they are deeply mistaken.

We have to deliver a practical route out of poverty, provide a ladder of opportunity and view this challenge as integral to our long-term economic prosperity. We must help people into decent jobs that can be sustained. Cutting tax credits in this way and taking far more with the one hand than is being given with the other will leave too many people trapped on low incomes with low living standards. The ladder is being pulled away from those who want to get on. The achievement of the Labour Administration in significantly reducing child poverty staved off billions of pounds of longer-term welfare expenditure. Those who are in work pay taxes and improve the public finances as a result.

**Several hon. Members** *rose—*

**Chris Leslie:** I have given way quite generously to Government Members and I would like to make some progress, if they do not mind.

The Institute for Fiscal Studies confirms that the introduction of tax credits played an extremely powerful part in the movement in the child poverty figures. The Conservatives cannot call themselves the party of working people, as they now do, when their Budget leaves millions of working people worse off. How exactly does decreasing their work-related assistance help those who become too sick to work and are on employment and support allowance? Does that policy not run the risk of increasing the number of people who are placed in the more expensive ESA support group, as has been the case in recent years, when the Government have overspent by £4.5 billion on their original plans?

What motivation has a council tenant to get a better job and work for promotion if he or she is on the living wage and the Government take that money away

immediately? That is the crude nature of the rent rise that they are proposing. Seeking a contribution from higher earners is, of course, important, and it is one solution, but, as the Government's own analysis pointed out before the election, going about it in the wrong way will result in perverse incentives and penalties for work.

This was more a Budget of tax rises than a Budget of tax cuts. A rise of more than 50% in the rate of insurance premium tax to raise £8 billion over this Parliament will be a tax hit on the insurance for the family home, the family holiday and the family car. The new car tax will be a surprise that raises £1.5 billion by the end of this Parliament, and—much to the Secretary of State's surprise—the Government have shelved the childcare tax support that was due this summer until 2017, even if the Secretary of State has now brought that forward by a year.

**Catherine West** (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that these measures will further divide communities in high-value constituencies such as those in London, where there are huge gaps between incomes—people with very low incomes are living in the same constituencies as people with very high incomes—and will increase our sense of massive inequality? One of the problems is the failure to deal with the need for a proper living wage. I have experience of introducing a living wage, and it is very hard work. It takes years to achieve, and it means working with businesses. [*Interruption.*]

**Chris Leslie:** I do not think that was a very polite reaction from Conservative Members. My hon. Friend worked very hard during her time in local government to try to support the low-paid by introducing a London living wage, and I think it commendable that local authorities and businesses in London, in particular, have tried to make headway with that. Of course, a real living wage now needs to be about £12 to compensate for the reduction in tax credits.

**Andrew Bridgen** (North West Leicestershire) (Con) *rose—*

**Graham Evans** (Weaver Vale) (Con) *rose—*

**Tom Pursglove** (Corby) (Con) *rose—*

**Alan Mak** *rose—*

**Kevin Hollinrake** (Thirsk and Malton) (Con) *rose—*

**Chris Leslie:** I will give way one final time. It is a very difficult choice, but the hon. Member for Havant (Alan Mak) seems particularly keen.

**Alan Mak:** I am grateful to the hon. Gentleman. Will he confirm that if a Labour Government were ever to return to power, they would increase tax credits, and if so, which taxes on working people would they raise to pay for that increase?

**Chris Leslie:** When we are writing our manifesto for the 2020 election, I shall give the hon. Gentleman a call. I am afraid that we lost the most recent election, but I think it important for us to reflect on what the Government propose and what the Chancellor announced in his

Budget. It is our job as an Opposition to make sure that his spin does not necessarily colour the view of the realities.

The Budget statement revealed that the Chancellor has the wrong priorities for Britain: headlines for himself rather than help for low-income households. We have a chronic shortage of affordable housing, and home ownership is increasingly out of reach for first-time buyers, but the Chancellor's main housing policy was to reduce the number of affordable homes by 14,000. We need to encourage young people from poorer backgrounds to aim for higher education, but axeing student grants for the least well-off—and, by the way, taking the cap off tuition fee rises, which was not particularly trumpeted by the Chancellor—will make it harder, not easier, for them to do so.

This should have been a Budget to support working people, and to tackle the long-term challenges that our economy faces. The Chancellor is already crowing at his own perceived success in the headlines, but his work penalty in the tax credit system will hit those in work, and leave working people worse off. The Government have failed to make the big decisions that are needed to deliver the modern infrastructure that can make our businesses more productive. They have done nothing to address our alarming and widening trade deficit, and their rhetoric of a living wage has begun to unravel in less than 24 hours.

These are difficult times, and they require tough choices. The deficit needs to fall year on year, our debts need to be reduced, and sensible social security savings are also necessary. But this Budget made the wrong choices for working people and prioritised political gains over the long-term needs of our economy. As ever with this Chancellor, it will be the British people who pay the price for his ambitions.

12.4 pm

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** I welcome—[*Interruption.*] I must be more statesman-like.

I welcome yesterday's Budget statement from my right hon. Friend the Chancellor. He is in serious danger of coming to be seen as one of the great Chancellors of this country.

Yesterday my right hon. Friend set out a Budget of great significance. At its heart it is a Budget for working people. First, he set out the steps that we have taken to bring the economy back from its knees, where it was left by the Labour Government. It is only through a strong economy that we can deliver the growth and jobs that working people need. In the previous Parliament we created 2 million jobs, and the budget deficit is now less than half the 10% rate that we inherited. As we look forward, the Office for Budget Responsibility has forecast growth of 2.4% for 2015. That means that for the second year in a row, Britain is expected to have the strongest economic growth of any major advanced economy in the world. The economy will be in surplus by 2019-20, and it will be the largest surplus in structural terms in at least 40 years. Because of the steps taken by the Government, Britain is again standing tall in the world.

Secondly, the Budget sets out the actions we are taking on tax evasion, avoidance and planning, and the imbalances that were left to us in the tax system. This makes

a vital contribution to bringing our public finances back into line, meaning that we can continue to provide the essential public services that working people in this country rely on.

Thirdly, the Budget sets out the steps we are taking to boost productivity and skills and to back business. We will have an innovative new apprenticeship scheme, which I hugely welcome, and we will introduce a levy on large employers to fund a big increase in apprenticeship starts and quality. The hon. Member for Nottingham East (Chris Leslie) spoke about productivity. This is one of the ways we will get productivity improvements. In England, firms will be able to get back more than they put in if they train a sufficient number of apprentices—a real incentive to get on and reskill. It is about ensuring that people in this country have the skills they need to get jobs, increase their hours and secure higher pay.

Fourthly, the Budget sets out the work that this Government are doing to support business. It is only when businesses are thriving that the people of our country can thrive too. One of the great things about the last election, apart from the fact that we won, is that it brought into the House so many of my new colleagues who have run businesses, started businesses and know what it is like to cut that pay cheque week in, week out. That is hugely different from the Opposition. We have been relentless in our commitment to cut corporation tax. In the previous Parliament it fell to 20%, the joint lowest rate in the G20. In this Parliament it will fall to 18%, sending out what my right hon. Friend the Chancellor said was a clear message that Britain is open for business.

Fifthly, the Budget sets out the measures that we are taking to reduce tax, to help people save, to help them own their own homes, and to support them in one of the most basic human aspirations—to pass something on to their children—through the changes we are making to inheritance tax.

**Kevin Hollinrake:** Does the Secretary of State agree that there are two sides to the welfare coin—the people who receive the benefit and the people who pay for the benefit? The burden of £30 billion a year in tax credits was too big a burden to carry.

**Mr Duncan Smith:** Indeed. I shall shortly come to how these imbalances created disparities for people in work and trapped on low income.

We are sticking to two of our most important manifesto promises on personal tax. We are starting the journey to raise the tax-free personal allowance to £12,500 from next year. Once £12,500 is reached, as my right hon. Friend the Chancellor said, we will legislate so that the personal allowance always rises in line with the minimum wage—a great move to protect working people. We are keeping our commitment to raise the threshold at which people pay the higher 40p rate of tax to £50,000, starting with an increase to £43,000 from next year.

I consider one measure from yesterday's Budget to be more significant than all the others—indeed, it is perhaps the most significant measure in all the Budgets that I have listened to during my many years in this House. The Government believe that if people work hard, they should be rewarded. In our growing economy, people should be able to expect a decent wage if they move into work and increase their hours. That is why, starting from April 2016, the Government have announced that



[Mr Duncan Smith]

we will move to a national living wage—set initially at £7.20, but rising to £9 by 2020. We will ask the Low Pay Commission to recommend future increases to the national living wage that achieve the Government's objective of reaching 60% of median earnings by 2020. I believe that that is groundbreaking, and I hope that all Members of the House, instead of cavilling about it, will come to support it.

**Mr Clive Betts** (Sheffield South East) (Lab): One of the lowest-paid sectors is the care sector, and it is right that it should get a pay increase. The Local Government Association has calculated that to pay the current living wage to all care workers who are directly employed by local authorities, and those employed by private firms that provide services to local authorities, would cost £0.75 billion. By 2020 that will rise to about £1.5 billion, or more. Will that be regarded as a new burden on local authorities for which the Treasury stands the cost, or will it be a further £1.5 billion cut to local authority services?

**Mr Duncan Smith:** We have the spending review to address such issues. In my Department here in London I took on contractors about paying the London living wage, and I faced exactly the same debates and arguments about how it was not feasible and how they would face high costs. I insisted that they went away and looked at their productivity. My Department in London instituted the London living wage. Not one job was lost and productivity has improved. I would consider the matter carefully before we take those official statements as the reality.

**James Cleverly:** Is there an economic imperative and also—perhaps more importantly—a moral imperative that, in the relationship between employer and employee, the employer ensures that the employee receives a salary on which they can live? It is not right that the Government make up the shortfall between employer and employee.

**Mr Duncan Smith:** I agree that the principle behind the tax credit system has instituted a non-progression period for people locked in low incomes, and I will return to that in a moment.

**Chris White** (Warwick and Leamington) (Con): As someone who has long campaigned for an increased uptake of the living wage—not least by leading a debate on that in the House last November—I congratulate the Secretary of State on creating the national living wage. Will he tell me how many people's incomes will increase as a result of that policy?

**Mr Duncan Smith:** The answer is that the incomes of 2.5 million people will increase, but it is not me who introduced that policy—I give all the credit to my right hon. Friend the Chancellor. Let me also say to the right hon. Member for Nottingham East—

**Chris Leslie:** I am not “right honourable”.

**Mr Duncan Smith:** I apologise. That is a matter for his leader but—what can I say? Labour has no leader at the moment.

The hon. Member for Nottingham East was talking about the minimum wage and the living wage, and I want to pick up on something he said a fortnight ago:

“Do not the Government need a serious strategy to address low pay and boost productivity? They should be providing incentives for a living wage and new opportunities for high-quality skills, as a more positive route out of poverty.”

Absolutely. He went on to speak about the Chancellor's Budget before it had been delivered and said:

“Unless he is planning a rise of 25% in the minimum wage, that will not happen.”—[*Official Report*, 25 June 2015; Vol. 597, c. 1038.]

Well, my right hon. Friend the Chancellor listened to that and initiated a rise of 38% to the minimum wage. The hon. Gentleman must be overjoyed, and will want to tell the House what a great man the Chancellor is and what a great Government we are.

**Chris Leslie:** Let me be clear: we are glad to see an increase in the minimum wage, but the problem emerges with the one-step-forward, two-steps-backward strategy. We cannot consider this question in the round by just brushing away the work penalty that has been introduced into the tax credit system. The Secretary of State must admit that people who depend on tax credits will lose out in the immediate period from April. Is that the case?

**Mr Duncan Smith:** No, there is a clear question that needs to be answered. The hon. Gentleman has been asked it but he has not answered, and it would be helpful for us if he would: will he vote against the changes, and do the Opposition plan to reverse the changes on tax credits?

**Chris Leslie:** I cannot be much clearer in my opposition to the work penalty to the tax credit system. I do not think that it is right at this time to hurt those who are in work and in low pay. Of course we oppose the work penalty, but we support increases in the minimum wage. After all, it was our creation and something that Labour campaigned on in the election. We are delighted that Conservative Members now feel that they can adopt that policy when they campaigned so vociferously against it.

**Mr Duncan Smith:** I notice that the hon. Gentleman said “at this time” when talking about tax credits. We can take note of that. It suggests to me—indeed, I am sure of it—that after the next couple of years Labour will have abandoned its opposition to the measure.

The measures that I set out in the Budget are vital to delivering the commitments that this Government have always made. We are committed to ensuring that a renewed economy goes hand in hand with a renewed social settlement, yet consider what we inherited in 2010: nearly one in five households with no—[*Interruption.*] Labour Members really do not like listening to this, but they have to hear it—[*Interruption.*] I will give way in a minute. Perhaps the hon. Member for Bishop Auckland (Helen Goodman) will sit down. Let me remind her what Labour left behind when it left government: nearly one in five households had nobody working; 1.4 million people had been on benefits for most of the previous decade; the number of households where no one had ever worked had doubled; and close on half of all households in the social rented sector had no one in work. Surely that is a shameful record.

**Helen Goodman** (Bishop Auckland) (Lab): I am grateful to the Secretary of State for giving way. He always tells the House that his politics is based on his faith. Will he explain why cutting tax credits for large families is a fair thing to do when that will be concentrated—I know he does not want to look at statistics—on families where children are living in poverty: Roman Catholic families and Catholics from other minorities? Does he understand that every child matters?

**Mr Duncan Smith:** I do understand that, and I am coming on to speak about tax credits. For some time I have believed that the way tax credits operated distorted the system, so that there were far too many families not in work, living in bigger and bigger houses and getting larger while being subsidised by the state, while many others—the vast majority of families in Britain—made decisions about how many children they could have and the houses they could live in. Getting that balance back is about getting fairness back into the system. It is not fair to have somebody living in a house that they cannot afford to pay for if they go back to work, as it means that they do not enter the work zone and their children grow up with no sense of work as a way out of poverty.

**Alan Mak:** This Budget creates clear dividing lines between this Government who help people into work, and the Labour party that created a high-welfare dependency culture. Will my right hon. Friend remind the House of how many people under the previous Government were paying income tax to the state and receiving welfare credits from it? How many people are no longer in that situation?

**Mr Duncan Smith:** The answer to my hon. Friend's question, which I wanted to come to, is that that is the perverse nature of tax credits. About 40% of those on tax credits had tax taken off them, which was recycled through the system with some of it being given back to them. That seems to be a rather bizarre and absurd system.

The tax credit system was the brainchild of the previous Prime Minister, Gordon Brown. The original tax credit system, introduced by the Labour Government, cost £1.1 billion in its first year; the tax credit system now costs some £30 billion a year, most of which is spent on child tax credits. This money was pumped into the system in a clear attempt to chase what was then a moving poverty line. In fact, under the previous Government, £258 billion of hard-earned taxpayers' money was recycled to be spent cumulatively on tax credits—a huge sum.

We saw massive spikes in tax credit spending in the run-up to election years. In the two years before the 2005 election, spending increased by £10 billion—a 70% increase. In the two years before the 2010 election, it increased by some £6 billion, or 25%. It is worth looking again at the in-between years, when it suddenly flattened but rose before an election. There were disproportionate increases in the child element, in an attempt to keep up with that moving median line. The child element was increased by more than earnings in 2004-05 and from 2008-09 to 2010-11, so that by 2010-11 the child element had increased by 25% more than if it had been uprated in line with average earnings since 2003-04.

One of the worst aspects of the system was the way people had to predict their income for a year. If their actual earnings turned out to be different, they were left with large overpayments or underpayments. This caused misery for families and left a gaping hole in the public finances. Although Labour Members have never owned up to it, we lost billions through that process. To try to deal with the situation, a large disregard was introduced. People then did not have to tell the Government if their income changed by up to £25,000 in the course of a year. To have the disregard at that level was completely irresponsible. It was an attempt to use taxpayers' money to plug holes in a failing system.

**Mr Peter Bone** (Wellingborough) (Con): Was that not one of the cruellest aspects of Gordon Brown's system? In my constituency surgery, I saw desperately poor people who were being asked to repay money they could not afford. It was extraordinarily cruel.

**Mr Duncan Smith:** I agree with my hon. Friend.

**Catherine West:** That is ancient history.

**Mr Duncan Smith:** It is not ancient history; it was the legacy of a Labour Government who were obsessed with a moving target.

**Catherine West:** I am very pleased that the Secretary of State has given way. It is ancient history for those of us who are here now. This is the right hon. Gentleman's sixth year in government and the system is becoming more and more unfair. Will the Department for Work and Pensions carry out an equalities impact statement on the changes in the Budget? [*Interruption.*] I will repeat that, because the right hon. Gentleman is having trouble hearing. Will the Department for Work and Pensions carry out an equalities impact assessment in relation to changes in the Budget, both on employment and support allowance and on the changes to families, to ensure that ethnic minority families are not discriminated against and that the lives of people with disabilities are not being worsened by this evil policy?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. Interventions cannot be used to make speeches. We must have short interventions. There are 29 Members who wish to speak. Let us have short interventions, so that Members can get into the debate.

**Mr Duncan Smith:** There are impact assessments in the Red Book. There will be relevant impact assessments before Second Reading, as there always are.

The key point on tax credits is what they got for all of that: unsustainable spending that went up jerkily, but by huge amounts; and a subsidy for employers, which enabled the payment of lower wages and completely distorted systems, and presented a bizarre set of incentives for moving in and out of work. It is now well documented that for many people it made sense to work only 16 hours—no more, no less—and we saw spikes in the employment data at 16 hours. There were huge spikes of people clustered around 16 hours, because it did not pay to work anything else.

**Mims Davies** (Eastleigh) (Con): Families set up their lives around the 16-hour week limitation and businesses had to react to that, which affected our productivity.

[Mims Davies]

Does my right hon. Friend agree that the Budget will deal with this and make people's lives better?

**Mr Duncan Smith:** I do. As my hon. Friend makes clear, if people can afford to work only 16 hours, businesses will not invest in them and their training because it will not be worth their while. That means their chances of progressing are nil. Many rotated and crashed out of work directly, because they had no sense that they could go on any further. She is absolutely right.

We believe that two-fifths of those who received tax credits ended up paying for the tax credits they received. It was a bizarre system.

This Government are different. We are building on the firm foundations of a welfare system by balancing the books and fixing the economy, while continuing to provide a strong safety net to support the most vulnerable. Our record in the previous Parliament spoke for itself, so I am going to say it again. Despite all the doomsday predictions from the Opposition—

**Helen Goodman:** Will the Secretary of State give way?

**Mr Duncan Smith:** No. I gave way to the hon. Lady. She did not succeed then; she is not going to get another chance. I am terribly sorry.

**Helen Goodman** *rose*—

**Mr Duncan Smith:** No, no. Honestly, I am not that kind.

Despite the doomsday predictions that the hon. Lady and many of her colleagues made, this is the actual result: 2 million more people in work; 2 million more apprentices; the proportion of workless households at an all-time low; and, perhaps most importantly, the proportion of workless households in the social rented sector at a record all-time low. That is a real record of success on which we will build. That is what we are going to do with the Budget.

**Geraint Davies:** Research from Oxford university predicts that the number of people going to food banks, as a result of the Budget's changes to welfare, will increase by 1 million to 2 million. Does the right hon. Gentleman agree with that assessment? If not, how much does he think it is going to increase by?

**Mr Duncan Smith:** I must say that that would have to be pretty quick work. If they have done that much work in a matter of hours, I want to employ them in my Department. No, I do not agree with that, and here is why. I fully support food banks. What people do to help with food banks is a very good idea. However, the figures on usage put out by food banks have all been proven to be incorrect. In Germany, 1.5 million people a week use food banks and its benefit system is meant to be more generous than ours. In Canada, more than 800,000 a month use food banks. This country has a very low number compared to other countries. Those figures speak for themselves.

As we build on this, we must meet our commitments to protect the elderly and the most vulnerable, protecting those benefits that provide for additional costs arising from disability or caring, and protecting pensioner benefits.

My right hon. Friend the Chancellor and I make no apology for that, with good reason. When we took office, pensioners were some of the most vulnerable people suffering from a very, very low income. We have begun to put that right, and we intend to be proud of it.

It is right that we provide extra support for those who face the biggest challenges in changing their income levels. Spending on the main disability benefits—disability living allowance, personal independence payment and attendance allowance—will be higher in every single year to 2020 compared with 2010. Our commitment to protecting the most vulnerable is why we have protections in place on policies such as the benefit cap, so that people are exempt if someone in a household is claiming DLA, PIP or working tax credits. Wherever possible, we are introducing measures on a flow basis to give people the time and knowledge to prepare for the changes.

We are also ensuring that people on benefits face the same choices as those in work and not on benefits. Our measures will mean people making decisions and choices about their lives, which is why we are introducing the two-children element on a flow basis, and why we are lowering the benefits cap to £23,000 in London and £20,000 elsewhere, emphasising that it is not fair for someone on benefits to receive more than many people in work. I think that that principle is well accepted and popular around the country. In London, about four in 10 households earn less than £23,000, and outside London the same proportion earn less than £20,000.

**Helen Goodman:** I am grateful to the Secretary of State for giving way; he is being very generous today.

Will the Secretary of State not admit that although he is protecting disability benefits, he is not protecting disabled people, because disabled people also get tax credits and housing benefit?

**Mr Duncan Smith:** I just do not agree with that, I am afraid. We have set out to protect disability living allowance and PIPs so that those in the greatest need are protected and their benefits continue to rise. As I said, we will help those in work and capable of work through the living wage and childcare support. We will get people back to work and doing more hours. I do not agree, therefore, with what the hon. Lady says; we have gone out of our way to protect those in the greatest need.

**Tom Pursglove:** In my constituency, people would say that the £20,000 benefits cap is not only morally right but much more in line with circumstances in our area. I tried to intervene on the shadow Chancellor to find out if he agreed with that. Has the Secretary of State had any such indication?

**Mr Duncan Smith:** We have presented today a package for working people that will incentivise those who can work to go back to work and work the hours they need to improve themselves and their families. My hon. Friend is absolutely correct. This is exactly the drive the Government are making.

**Rishi Sunak:** Will the Secretary of State confirm that when he first entered office, we were spending more on working-age welfare than on education? If so, is that not evidence that our welfare system is unsustainable and needs sensible and fair reform?



**Mr Duncan Smith:** My hon. Friend is absolutely right. The other point that has not come up but which my right hon. Friend the Chancellor has made clear is that the amount of money we pay to people outside Britain to pay off our debts is money that we cannot spend on education and health. Getting the deficit down and paying off our debts has to be the best thing we can do for people on low incomes, who need those services.

**Catherine West** *rose—*

**Mr Duncan Smith:** No, I have given way twice to the hon. Lady; I am going to make some progress.

We remain relentlessly focused on supporting people to move into work. Universal credit is now rolled out to half of all jobcentres in Britain, and by the new year will be rolled out to all of them and will then be expanding. It will provide people in work with even better help and support, meaning that those on low pay will do better as a result of universal credit, which was a big reform that was opposed by the other side but which we will deliver and make work.

**Amanda Milling** (Cannock Chase) (Con): Unemployment in Cannock Chase fell dramatically in the last Parliament. Does my right hon. Friend agree that the measures in yesterday's Budget will see unemployment in Cannock Chase, Staffordshire and the west midlands fall even more dramatically?

**Mr Duncan Smith:** As I said earlier, and as my hon. Friend says, in all these areas, we inherited a country riven by deep unemployment, debt and a massive deficit and unable to pay its way. In many senses, it was in a worse state than Greece. Look at the difference five years later. I believe that the next five years will see a renaissance in Britain, as we become an economic powerhouse, both in the north and the south, and more people get back to work earning a decent wage—in fact, a living wage.

In conclusion—

**Geraint Davies:** Hooray!

**Hon. Members:** More. More.

**Mr Deputy Speaker:** Order. I might be able to help. Both Front-Bench speakers have taken over an hour already. If other Members want to speak, we need to get to the end.

**Mr Duncan Smith:** If hon. Members want, we can go back over the figures one more time. I am enjoying myself, even if the shadow Chancellor is not.

**Graham Evans** *rose—*

**Antoinette Sandbach** (Eddisbury) (Con) *rose—*

**Mr Duncan Smith:** The Opposition do not like being reminded of the fact that the last Labour Government left the economy in a terrible mess, and it is this Chancellor who, over the last five years, has set out to put it right, and we are proud of that.

**Mr Deputy Speaker:** Order. The two Cheshire Members need to take their seats. They cannot remain standing. It is a long way home and they ought to rest themselves.

**Mr Duncan Smith:** I will give way to my hon. Friend the Member for Weaver Vale (Graham Evans). I know he wants me to keep going.

**Graham Evans:** Opposition Members never miss an opportunity to miss an opportunity to apologise for wrecking the country's economy. The shadow Chancellor criticised my right hon. Friend the Chancellor and said there was no mention of science and technology. My right hon. Friend has a very proud record of investment in the north of England, as part of the northern powerhouse—

**Mr Deputy Speaker:** Order. Mr Evans, you will be making your speech very shortly. The danger is you will have nothing to say because you will have already made it.

**Mr Duncan Smith:** I thought it was altogether too brief. My hon. Friend was just getting into his stride. I feel we need another intervention. I agree with him—how could I not? The Opposition never miss an opportunity to miss an opportunity. They should have said years ago, "We're sorry; we won't do it again. We need to spend some more time thinking about what we did wrong." We intend to give them that time.

**Several hon. Members** *rose—*

**Mr Duncan Smith:** I have to say to my hon. Friends that I really have to make some progress, because lots of Members want to speak. They will have a chance to speak later.

With universal credit, people will get up to 85% of their childcare costs paid, which is up from 70% under the previous system. In addition, there will be 15 hours of free childcare if someone has a two-year-old, or a three or four-year-old, and if they are working, while the 30 hours of free childcare a week will be worth £5,000 a year. By the way, the 30 hours of free childcare will start exactly when I said it would—it will be cutting in in the 2016-17 period.

**Chris Leslie** *indicated dissent.*

**Mr Duncan Smith:** It is not delayed.

**Chris Leslie** *rose—*

**Mr Duncan Smith:** No, it is not. I am telling the hon. Gentleman it is not, so he can sit down.

**Chris Leslie:** On a point of order, Mr Deputy Speaker. It is important that the record is correct. I think the Secretary of State said that the childcare provisions were coming in in 2016 and that this was not a delay to the planned date of 2015. Am I right, Mr Deputy Speaker?

**Mr Duncan Smith** *rose—*

**Mr Deputy Speaker:** Order. First, it is a point of order, so the Secretary of State should sit down until I have heard it. Secondly, I think we can recognise it was a point of clarification, so we can carry on.

**Mr Duncan Smith:** In that case, to clarify, the 30 hours of free childcare for working parents with three and four-year-olds has not been delayed; it will start to be introduced in September 2016. Thank you very much; now let's move on.

If someone needs support to improve their skills or talk to their employer about increasing their hours, universal credit comes in again. For the first time, it will stick with them and help them to increase their hours, which is why it will complete the process of supporting people back into work. Even with the changes we are making, the welfare system will remain generous.

**Geraint Davies** *rose—*

**Mr Duncan Smith:** No, no; the hon. Gentleman had his chance.

About five in 10 families with children will still be eligible for tax credits as a result of these reforms. These figures show that we are taking a balanced approach to welfare—an approach that expects people to stand on their own two feet whenever possible but which provides them with the support to do that, by reducing their taxes, providing childcare, skills and back-to-work support, introducing universal credit to make work pay and asking employers to play their part by increasing wages at a time when our economy is growing.

In conclusion, ours is an approach that continues to provide a generous safety net and support for those who need it and expects people to face the same choices as those in work and not on benefits. At its heart, it is about moving from a low-wage, high-tax, high-welfare country, to a high-wage, lower-tax, lower-welfare country. It is a positive vision for Britain under a one nation Conservative Government delivered by a great Chancellor and a great Prime Minister.

12.39 pm

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): When the Chancellor delivered his Budget speech yesterday, he made the oft-repeated claim that the

“best route out of poverty is work.”—[*Official Report*, 8 July 2015; Vol. 598, c. 333.]

That was probably true once, but it is no longer true—it has not been true for a number of years. The truth today is that, for millions of low-paid workers, poverty persists no matter how many hours or how hard they work. For people who are bringing up children on low or, indeed, average incomes, the costs of housing and of childcare mean that they are running to stand still. I have said before in this House that in-work poverty is the great scandal of our age. Sadly, very little was announced yesterday to tackle the underlying drivers that are stifling the opportunities and aspirations of the working poor.

Instead, we learned that the axe of the £12 billion-worth of cuts will fall most heavily on low and middle-income families. Last week the Government announced changes to the way in which child poverty is measured. Having heard yesterday's announcements, it is not hard to

understand why they did that, because the lowering of the threshold for tax credits and other changes announced yesterday will take income largely from the pockets of working parents and compound the projected increases in child poverty arising from the last round of cuts.

**Antoinette Sandbach:** Housing and childcare matters are devolved to the Scottish Parliament, so does the hon. Lady agree that, if there are structural imbalances, they need to be dealt with by the Scottish Parliament?

**Dr Whiteford:** I am sure that the hon. Lady is well aware that Scotland's childcare offer is significantly better than that enjoyed by people in other parts of the UK, and that our housing situation is not exacerbated by real rent imbalances similar to those experienced in London and the south-east of England in particular. I will pick up on that later.

The hon. Lady will also be aware that the Scottish block grant is calculated on the basis of the contents of the Red Book. The money currently allocated to Scotland is determined by this Chamber, so this Budget is relevant to everybody throughout the UK. It would be very wrong to ignore the fact that the purse strings are still controlled here, and that is one of the reasons why I argue for those powers to be sent up the road to Scotland, where we can use them more wisely.

I want to return to the issue of child poverty and the paper exercises conducted to measure it. Whatever we do to massage the figures, I do not think any of us can avoid the evidence of our own eyes in our constituencies. We are seeing growth in child poverty on the ground. We see it in the rise of food banks, which have already been alluded to, and in the larger number of people coming through MPs' doors with income-related problems. That is also being experienced by advice bureaux. We also see it in the evidence of organisations that work directly with vulnerable families and those on low incomes.

In my constituency, one in five children is growing up in poverty. That might come as a surprise, because we enjoy some of the lowest unemployment in the whole country. A very small percentage of people are not in work, but many thousands of people are in low-paid work, and it is those working poor who are going to be most affected by what was announced yesterday.

More families than ever are running to stand still, and under this Government more people are being left behind. The UK has a deeply polarised labour market, and the ability of people in low-paid work to get ahead is severely curtailed.

**Jeremy Quin** (Horsham) (Con): Will the hon. Lady give way?

**Dr Whiteford:** I will not give way at the moment.

Amid all the rhetoric and the hyperbole of Budget day, it would have been very easy to form the impression from the media lines being trotted out yesterday that tax credits are predominantly a benefit paid to unemployed people, when in fact the opposite is the case. In Scotland, the overwhelming majority of tax credits are paid to working people. In fact, half of all families benefit from tax credits, and 95% of tax credits in Scotland are paid to families with children. We should make no mistake about where the cuts are being targeted.

It is inevitable that today we will consider the short-term consequences, because those cuts will put acute pressure on families, but we should be under no illusion that growing up in poverty has serious long-term consequences for children, too. It is associated with poorer educational attainment, poorer job prospects, poorer health throughout life and lower life expectancy. That is why asking families to bear the brunt of the cuts is so short-sighted. It has not only an enormous social cost, but an enormous economic cost: it holds back our economic progress and productivity, which are what we should really be focusing on and trying to improve.

The Government have tried to argue, today and yesterday, that the cuts will be offset by increases to the minimum wage and changes to the personal allowance, but that claim simply does not stand up to scrutiny. I think we all welcome the announcement of a long-overdue increase in the minimum wage to £7.20 an hour from next year and, indeed, the changes to national insurance, but let us not kid ourselves that rebranding the minimum wage as a living wage will actually make it a living wage.

There is already a living wage: it is calculated by the Living Wage Foundation and is already used by employers in the public, private and third sectors, including, I am very pleased to say, the Scottish Government. The living wage is based on the actual cost of living and it is already £7.85 an hour outside London and is due to go up again in November. We need to be absolutely clear that £7.20 is not a living wage and it will not offset the cuts in tax credits.

The critical point about the living wage is that it has been calculated on the basis of low-paid workers claiming their full entitlement to tax credits at the present rate, so any cut in tax credits means that the living wage will have to go up even further in order for it to provide enough for people to live on. If the Government take on board only one of the points I make today, I want it to be that one.

**Graham Evans:** Does the hon. Lady want Scotland to be a high wage, low benefits, low tax economy? Does she agree with what the Government are trying to do?

**Dr Whiteford:** Scotland has already shown the progress we are making towards a high-skill economy. I was interested to hear yesterday's announcement on improving the apprenticeship scheme in England. I hope the Government will aspire to do what the Scottish Government have already done. The uptake has been phenomenal and we are well on course to reaching 30,000 apprenticeships a year, which is far more proportionately per head of population than the current number in England. The Opportunities for All scheme guarantees a place in education or training for every single young person. It has been a phenomenal success, with more than 90% of our young people going into sustained employment afterwards. Instead of waiting until people have been unemployed for a year before intervening, we are intervening early so that every school leaver gets those opportunities. The approach is much more carrot than stick. The scale of the uptake shows that in Scotland we are committed to having a more successful economy and to growing it to meet the needs of our population.

I want to return to tax credits and not be distracted from them. Today the Resolution Foundation, which has done so much to promote the living wage and

highlight the issue of in-work poverty, has said that the living wage would need to be £10 an hour by 2020—not the £9 announced yesterday—to keep pace with the cost of living under the new tax and benefits regime. Let us be clear: we are not going to get out of the poverty trap with this rebranded minimum wage. We need to bring it up to the level of a living wage if we are going to take away the support currently provided through tax credits.

The huge cuts in tax credits will make the gap between the minimum wage and the living wage even greater and it will leave the earnings of low-paid workers even further below the actual cost of living. At present, a family with two children where both parents work and who live in a house with average rent will be below the breadline, and the changes announced yesterday will not change that. Such families will still struggle to keep their heads above water and their children will still grow up disadvantaged.

We need to recognise that bringing up children is expensive—for everyone, in all income groups—but children are not some sort of luxury lifestyle accessory. Having children and encouraging family life is an essential, necessary and natural part of the human life cycle. For some years, however, we have made it really difficult for younger adults to even contemplate starting a family, simply because of the pernicious combination of low pay, job insecurity and exorbitant housing costs.

That brings me to the differential impact of this Budget on women, because, in spite of the progress that has been made, women are still heavily concentrated in low-paid work. We are far more likely to be working part-time or in zero-hours jobs, and we are more likely to be the primary carer of children or, indeed, frail or disabled relatives. Too many women end up in low-paid, part-time work such as cashiering or cleaning simply because they can work their hours around their family responsibilities. While I welcome the increase in the personal allowance, we need to recognise that many of those women working part time in low-paid jobs will not see the full benefit of it. Indeed, the key beneficiaries are, of course, higher-rate tax payers like ourselves, and 80% of the benefit of the increase will fall in the upper half of the income spectrum.

I have a number of questions for the Government about limiting tax credits to two children. I am not sure why they would do this—certainly in Scotland, we have a worryingly low birth rate so we should not be trying to deter people from having more children. I ask Ministers for clarification about the basis on which the number of children eligible for support through tax credits will be determined. Will it be a couple's first two children together, or will children from a previous relationship be counted in the total? What will happen, for example, if a woman has her first child with a partner who already has two children from previous relationship or if a mother's third child is the father's first? As anyone who ever runs a constituency surgery will know, these are not abstract questions, and I hope Ministers will address them this afternoon.

**Maria Caulfield (Lewes) (Con):** Does the hon. Lady not agree that it is absolutely right for those on benefits to make the same choices as hard-working taxpayers, including choices about how large their families should be?



**Dr Whiteford:** The point I am trying to make is how important it is for us to have children. If our birth rate stays as low as it is, we will be storing up long-term economic problems for ourselves. Scotland has the lowest birth rate in the UK and one of the lowest anywhere in Europe. That is precisely because people know that they have to combine their incomes even to get a starter flat. They do not have room for a baby, they do not know how they would pay for a baby if one parent had to work part time, they do not know how they would be able to continue to pay a mortgage—still less a mortgage on a bigger house—and they do not know how they would pay the rent. People have to make serious choices, but the bigger social picture is that we must absolutely encourage people to have a family and encourage family life.

**Mr Duncan Smith:** I will make sure that the hon. Lady's questions are answered in the winding-up speeches, but there are all sorts of provisos involved. If two families are joined, the original child element is kept. Following up the point made by my hon. Friend the Member for Lewes (Maria Caulfield), the six deciles in the middle can end up paying for others to have more children than they can afford themselves. This is a point about fairness: they are the ones paying, but they do not feel that they can afford to have more children themselves.

**Dr Whiteford:** The key point is that a falling birth rate is not good for anybody in whatever decile. Even those of us who do not have children are going to be dependent on the next generation being large enough to support us in our dotage when we need people to come in and look after us. The economics do not stack up. In the context of worryingly low birth-rate projections, we desperately need to encourage and make it easier for people in all deciles to decide whether having children is a possibility for them.

I have to say that I was appalled at the reference on page 88 of the Red Book to

“protections for women who have a third child as the result of rape, or other exceptional circumstances.”

I know this point was picked up yesterday, but I think the implications need to be addressed more thoroughly. It is perhaps important to acknowledge that rapes do not necessarily result in pregnancy. After all, rape is a crime that affects pre-pubescent children and post-menopausal women, as well as people of child-bearing age. How does the DWP intend to establish that a child has been born as a consequence of rape? Will there seriously be a box to tick on the form? Will a criminal conviction against a perpetrator be required?

We know that rape is one of the most unreported and poorly prosecuted serious crimes in the UK, with most surveys suggesting that 85% of women who are raped do not report it—for a variety of reasons, not least because most victims know their assailants and know that securing a conviction is a very long shot under our criminal justice system. Many simply do not want to put themselves through another traumatic ordeal.

I put it to Ministers that the women most likely to become pregnant as a result of rape are those in long-term abusive relationships who are being repeatedly assaulted. They are among those least likely to report rape, and those in the most extreme danger if they do. So I ask again, what will this “protection” mean in practice?

How will the DWP arbitrate? Will women be believed? What steps will be taken to preserve their dignity and privacy? I would like to hear some answers to those questions.

**Alison Thewliss** (Glasgow Central) (SNP): Does my hon. Friend agree that these circumstances could stigmatise the child and run contrary to our obligations under the UN convention on the rights of the child?

**Dr Whiteford:** My hon. Friend raises a very pertinent point—we should not be stigmatising children whatever their parentage. This could indeed cause many problems.

Before I conclude, I want to address the lowering of the benefits cap. One aspect that always seems to get lost in the debate is that the main driver of the excessively high benefit payments we see in London, the south-east and a few other hotspots across the UK is excessively high private sector rents. In most cases, the claimant does not see a penny of that money; it goes straight into the pockets of the private sector landlords. This is a very serious problem, but I think the Government are tackling it from entirely the wrong angle. They need to address the chronic under-supply of affordable housing, because until they address that underlying issue, rents will continue to soar and housing—to rent or to buy—will continue to be completely unaffordable for people on low and average incomes, by which I mean people who earn normal wages doing normal jobs. Plans to force housing associations to sell their properties to tenants will only make matters worse.

I remember that when the benefits cap was first introduced, I went to the Library to look at the impact on my own constituency. There was a grand total of three claimants affected, and two of them were people in temporary accommodation—they were in a short-term transitional situation. That was simply because our rental market was not quite so out of control as the rental market in some other parts of the UK.

My main concern about the new benefit cap is that it is entirely arbitrary and will mostly affect people in the private rented sector in high-rent hotspots. Fundamentally, it does not tackle the underlying problem of affordable housing supply, which is one of the main drivers of income poverty right across the UK. Instead, it seems to me that this arbitrary cap will create perverse incentives for people to move to areas or stay in areas of low economic growth where housing is more affordable but jobs are more thin on the ground. That gets us to the heart of the problem with this Budget. It puts a desperate squeeze on low and middle-income families, but there is little in the Budget to boost productivity. There is nothing to give Scotland a competitive advantage or give us a jobs boost. Instead, those who have already carried the can for the banking collapse of 2008 will stay trapped in work that does not pay.

Austerity has been a failed policy. It has held back our economic recovery and has harmed the most disadvantaged people. That is why we need powers over our economy, our employment and our benefits system to be devolved to the Scottish Parliament, where we can use them to build a more successful and a more equitable country that is in everyone's long-term interest.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. If Members can restrict themselves to up to 10 minutes and no more than 10 minutes, including interventions, everybody should get equal time to contribute.

12.57 pm

**Mark Field** (Cities of London and Westminster) (Con): As the City's MP, it would be remiss of me not to touch on the issue of the bank levy. When it was introduced in the immediate aftermath of the financial crisis, it was specifically designed to reflect the cost to the public purse of the implicit insurance provided by the Government to the finance sector. The suspicion is that more recently the bank levy has become as much an instrument to assist in deficit reduction.

I understand why the Chancellor sought to outwit his political opponents in March's coalition Budget—that close to an election, I guess there were few votes to be gained by siding with bankers—but now that we have political stability, I welcome his commitment to ensuring that in future the replacement surcharge does what was initially intended. I suspect that this will sufficiently impress HSBC to stay for now, although I appreciate that perhaps too much good will has been expended by the Government on the ring-fencing arrangement for much to change in that regard—despite the threat to the international competitiveness of the UK financial services from elements of the Vickers regime.

The more significant medium-term threat to banks remaining headquartered here in London probably arises from the “reckless banking” legislation. Once this is properly tested in the courts, it will be instructive to see just how many senior executives in the largest global banking conglomerates regard London as a place where they will be happy to be domiciled. That is work in progress for most of the City and the Treasury.

I shall say a quick word on the infrastructure and airport capacity debate. My constituency will undoubtedly be adversely impacted by the enlarged flight paths that will accompany the proposed third runway at Heathrow. I am also deeply concerned about air quality, even before the prospect of additional aviation pollution. However, all of we west and central London MPs need to recognise the national interest. There were certainly only anti votes when I supported Crossrail, which has disruptively carved its way through several residential districts in my constituency, but this major infrastructure is essential. Similarly, the UK and London economies desperately require additional airport capacity.

I would have been keener had the Davies commission come out in favour of Gatwick, but it has unequivocally come out in favour of expansion to the north-west of the Heathrow site. It is a finely balanced judgment, and I think there will be some funding problems when we come to put this in place in the years to come, but with reluctance I now take the view that the Government should move ahead with minimal delay and implement the Davies commission's clear conclusions.

The Government have been wise to raise their horizons in addressing the sustainability of the UK's recovery in an ever-expanding sea of global debt. At the last emergency Budget, in June 2010 as the last Parliament began, the Chancellor assumed that the then £1.32 trillion of accumulated national debt would cost some £66.5 billion annually to service. The debt

pile has now risen to £1.63 trillion, but here's the rub: we are expecting that to cost only about £51 billion a year in debt interest.

At this point, it should be said that the Chancellor's determined rhetoric of fiscal retrenchment has earned him the confidence of the capital markets, which I am sure would rapidly have deserted any Labour Finance Minister. However, there is a herd of investors in the capital markets pricing Government debt with a deceptive, even dangerous, sense of calm. Incidentally, it is worth noting that the record low global interest rates apply to Government bonds issued by all but the most basket-case economies, even in the eurozone. In large part, there is a fear that deflation might be here to stay and that a prolonged period of stagnant or very low growth could be in the offing.

**Kelvin Hopkins** (Luton North) (Lab): Will the right hon. Gentleman give way?

**Mark Field:** I will not, if the hon. Gentleman will forgive me; we are under a strict time constraint.

In such uncertain circumstances, taking on Government debt often seems the safest bet in the markets. The impact of quantitative easing and the excess demand for bonds, driven largely by EU regulatory requirements to invest in safe havens, have both helped to reduce the cost of borrowing by Governments. At the same time, however, our own Office for Budget Responsibility, along with the International Monetary Fund, is projecting healthy growth for the UK economy in the years to come. They are both predicting not a period of Japanese-style deflationary stagnation implied by the pricing of Government debt but solid year-on-year growth at a rate of 2.5% to 3%. The trouble that lies ahead for the UK economy is that once the markets catch up to this reality, it is a racing certainty that the cost of servicing our debts will rise, and fast.

In short—and perhaps paradoxically—it is a sustained economic recovery that risks blowing a huge black hole in future years' budgets as the UK continues to grapple with the vastly expanded debt that has been accumulated over the past decade. That is why the Government are absolutely right to say that drastic and determined Government action on deficit reduction is essential for the medium-term health of the economy. The Chancellor is right to tackle the debilitating impact of entitlement in much of our welfare system, and now is clearly the time to do that, while the sun is shining. Given all the difficulties in the markets, and all that is going on in Greece and China, our positive economic news might not be around for much longer.

At the beginning of this year, analysis by the McKinsey Global Institute revealed that global debt had risen by some 17% since the final quarter of 2007, when the collapse of Bear Stearns and Lehman Brothers was in the offing. The racking up of debt on this scale represents the biggest experiment we have ever conducted in the global economy. Short of the unleashing of a burst of unprecedentedly high levels of output and sector-wide productivity growth, or alternatively a programme of fiscal contraction hard to imagine in an era of welfare dependency and universal suffrage, it is impossible to see how the developed world will ever be able to repay these levels of debt properly.

[Mark Field]

Historically, Governments have dealt with debt piles by allowing a little inflation to develop. The other option is to introduce what the economists call fiscal retrenchment. The double whammy of the 1930s depression and the cost of fighting world war two in the following decade left all western economies with equivalent debt levels relative to national income. Between the 1950s and 1970s, yields from Government bonds were deliberately set at just below inflation. As a consequence of the alchemy that comes with compound interest, a lot of our debts were paid off.

That might seem to be a comforting parallel, but there are key differences today. One is that we live in an age of free cross-border capital flows, and much of our borrowing comes from international sources. The model of squeezing creditors by means of negative real interest rates and rising prices simply will not work when credit is denominated in a foreign currency or in a deflationary era. We need only look at the ongoing travails of the eurozone to see the limits of imposing financial repression when nation states are locked into a monetary straitjacket.

Much is made of the fact that one third of UK Government bonds have been mopped up by the Bank of England, which has helped to keep interest rates very low—we have now had 76 consecutive months at the emergency 0.5% rate. More distorting still is the fact that more than 40% of our gilts are owned by foreigners. In this uncertain world, those overseas creditors might take on the chin the impact of artificially low returns on their bonds, but they may be considerably less sanguine about the impact of currency risk. The market sentiment towards sterling is currently benign, despite record current account deficits, but if that were to change and if the pound were to fall, sterling-denominated gilts in the hands of foreign investors would rapidly lose their value. The prospect of such overseas creditors losing confidence in the UK economy would then be very real.

For that reason, the Government's actions are of critical importance. They must persist in reducing the deficit as a matter of national urgency, to ensure that we collectively start to live within our means as rapidly as possible. What really concerns me, and what should concern policymakers, is that at the moment it is difficult to imagine the circumstances in which the cost of credit might be rapidly increased—as will be necessary in the years to come—without the economic roof falling in.

1.7 pm

**Mr Nicholas Brown** (Newcastle upon Tyne East) (Lab): It is a pleasure to follow the right hon. Member for Cities of London and Westminster (Mark Field) in this debate. I listened carefully to what he said about the issues of importance to his constituents, and it struck me that the issues of importance to my constituents are very different. The Budget has been presented to us as a Budget for working people, and a one nation Budget because we are all in this together, but I have to say to those on the Government Front Bench that it just will not be seen in that way in the north-east of England.

I have no quarrel with the Government's desire to drive up wages, to increase productivity and to broaden and deepen the private sector employment base in the north-east of England, but we do not think that those things will actually happen. We believe that we will get

all the welfare expenditure cuts but not the increased wages or the longer working hours, or the chance to earn a living in the private sector marketplace.

The maximum grants for students from households with incomes below £25,000, which encourage youngsters to go to university, are being converted into loans. In my constituency, one elector in five is a student. The change will mean that those in the very poorest households will be the ones leaving university with the highest debts, and that just does not seem fair. Similarly, the assault on working families tax credits will penalise the working poor. That point was very well made by the hon. Member for Banff and Buchan (Dr Whiteford)

**Angela Crawley** (Lanark and Hamilton East) (SNP): Does the right hon. Gentleman agree that these proposals will result in young people from deprived backgrounds being penalised and discouraged from going to university? No student should have a debt around their neck at the very time they want to make progress in life.

**Mr Deputy Speaker (Mr Lindsay Hoyle)**: May I just offer a little help to new Members? You cannot just walk into a debate and intervene straight away. You need to listen to the debate for some time before intervening.

**Mr Brown**: In fairness, Mr Deputy Speaker, I took the intervention, but I accept what you say.

There is an issue for those who rely on working families tax credits and who are in relatively low-paid jobs in the north-east of England. Let us take the example of a lone parent with two children who is working 16 hours a week on the minimum wage. Once both changes have come into place, the Chancellor's living wage announcement makes up about £400, which is just under half the £860 that person would lose from the tax credit change. I listened to the earlier exchange between the Front-Bench teams. I take into account what was said and accept that it might ameliorate the position; none the less, the change is shown in the Red Book as a saving to the Exchequer, which means that it is money that my constituents get now but will not be getting in the future.

The reduction in the employment and support allowance to jobseeker's allowance levels will not help anyone find a job; it just makes them poorer. The public sector pay freeze of 1% for the next four years is on top of a public pay policy that saw a freeze for two years from 2011, then below-inflation settlements of 1% up to the current financial year. This will be the longest sustained public sector pay freeze ever, and it is just not fair on the workers, especially the low-paid public sector workers. The benefit tapers have been narrowed, and on top of all that there is the benefits cap itself. I am not against the cap in principle, but reducing it from £26,000 to £23,000 in London and imposing a lower regional ceiling of £20,000 outside London is harsh on the English regions.

The Chancellor has burdened housing associations with an unwanted right to buy, which is good for the few but not for the many. Local authority housing stock is still burdened by the bedroom tax, which is not just unjust but actually counter-productive in communities such as my own constituency where a private one-bedroom bedsit in Jesmond costs more to rent than a two-bedroom council flat in Walker. Yet full housing benefit will go to



the one-bedroom flat, and those in the two-bedroom local authority-owned flat will be penalised by £8 a week. I do not see how any of this helps the north-east. Certainly, it does not help to make work pay.

In some parts of the country, it may be reasonable to argue that employers should pay better wages rather than rely on the state to top them up, but the danger for the north-east is that those who rely on working families tax credit will not be able to get extra hours at work to make up for the shortfall in their weekly income and will not be able to get a pay rise because there is not sufficient profitability in the business for that to be sustained.

**Mark Field:** I understand some of the right hon. Gentleman's concerns and I appreciate that we live in two different worlds, but does he not think it slightly ironic that he is more or less making the case that was made from the Conservative Benches 20 years ago when the minimum wage was brought in? It was said that it would somehow lead to a reduction in jobs. That is the case he is making today, yet it was one that he eschewed two decades ago.

**Mr Brown:** The even greater irony is that I was the Government Chief Whip when we put through the minimum wage legislation. My hon. Friend the Member for Sheffield South East (Mr Betts) was the Whip on the Committee that went right through the night on this. But that is going down memory lane. Indeed, it was the current Secretary of State for Defence who was making the case in the Committee at the time. There was some substance in the point, which is why I make it now in relation to the specific circumstances of the constrained nature of the private sector economy in the north-east of England. A broader, deeper and stronger private sector economy is the way forward for our region. It will help to give us the wages and the breadth of job opportunities that the south-east of England enjoys.

The great hope offered by the Government to the north-east is in their northern powerhouse initiative. The Chancellor is right to take regional policy seriously, but he just does not seem to understand how the north-east of England works and what precisely it needs. Indeed, he did not reference us once in his Budget speech when he was going through the offers to the other English regions. The only practical manifestation of the Government's northern powerhouse policy so far is in the rail upgrades, and they have been delayed.

**Chris Green (Bolton West) (Con):** In the north-east, there will be a huge Hitachi factory development, which will create 730 new jobs. Surely that is part of the northern powerhouse.

**Mr Brown:** When I was the regional Minister in the previous Labour Government, I met representatives of Hitachi in Downing Street. They were considering locating in the north-east of England, and wanted to discuss how they could bring that about. I give credit to the current Government for having seen that programme through, because it does involve Government support and they could have cancelled it but they did not. But it was a shared endeavour, and it was certainly coming into place well before the northern powerhouse initiative.

However, the hon. Gentleman is quite right that it is exactly the sort of initiative that we would like to see for our region. If it comes under the northern powerhouse brand, I shall take no exception to that.

The problem is that we do not know the geographical boundaries of the northern powerhouse initiative or the functions ascribed to it. We do not even know whether it is some form of local government reorganisation or a regional economic development initiative, or both. We are being told in the north-east that we must sign up to a metro mayor, but not why. The Government have given no details of the powers, functions, workings, accountability or budget for the post, yet they say we must have one.

The past five years have seen a plethora of initiatives that have had no practical impact on the problems in the north-east. The new local enterprise partnerships simply do not have the resources and capacity to address the scale of the problems. The LEPs have been followed by city deals, enterprise zones, regional growth funds, local growth deals and joint leadership boards. They are fragmented, piecemeal initiatives that collectively do not amount to an effective, focused regional policy from the Government. Metro mayors risk being just the latest addition to this confused approach. There is a serious question as to whether so many proposed policy responsibilities can and should be invested in one single individual. People in Newcastle who rejected the local government version of the elected mayor in 2012 and the wider north-east should at the very least be given a choice on this in a referendum.

The past five years have seen a persistent focus on structures and process at the expense of any real, meaningful action. We continue to lag behind in jobs. We have high unemployment and a lack of skills and investment in infrastructure. We simply cannot afford to waste the next five years dithering on structures.

1.17 pm

**Pauline Latham (Mid Derbyshire) (Con):** I rise today to congratulate the Chancellor on his Budget. His amazing job yesterday is warmly welcomed by most of the country. I am disappointed to follow the right hon. Member for Newcastle upon Tyne East (Mr Brown), who said that the Budget will make no difference—he probably said the same thing about previous Budgets brought in by the same Chancellor. Surely unemployment is down in his constituency; I cannot believe that it has gone up. What did his Government do, in all the years they were in power, to help people in the north-east? They did not do anything, which is why there have been problems. This Government, though, have made a difference.

I am also disappointed to follow the hon. Member for Banff and Buchan (Dr Whiteford). I found it astonishing that she should be advocating that people on benefits should be allowed to have—encouraged to have—more than two children. Completely responsible people who recognise that children are expensive to bring up and cannot afford to because they are not on benefits subsidise those who the hon. Lady would like to have three, four or five children. That is completely mad.

**Dr Whiteford:** The hon. Lady completely misrepresents what I actually said and what the record will show I said. The point I was trying to make was that half of

[Dr Eilidh Whiteford]

all families in Scotland receive tax credits, a huge majority of whom are in work. They are people who work extremely hard.

**Pauline Latham:** I recognise that most people getting tax credits are in work, but I still do not believe that people who are in work, not receiving tax credits, acting responsibly and having the number of children they can afford should be subsidising those who want to have more children. That is completely topsy-turvy economics; perhaps it is how some Opposition Members from Scotland deal with economics there, but it is not what we want to do here in London. I am very disappointed by the hon. Lady's attitude, and I feel that she completely misrepresents what the Government are doing.

I congratulate the Secretary of State for Work and Pensions on doing a fantastic job in bringing the welfare budget under control. It was not under control for many, many years—it was completely out of control, which is one reason why this country got into such difficulty with the deficit.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): One of the things that we hear about in the Budget is the importance given to increasing productivity, but if we are to increase productivity, we need incentives for investment in the economy. The Government are incentivising those who have financial assets by changing the inheritance tax rules to benefit the type of people who sit on the Government Front Bench. That is the reality of what they are doing. If we want to make sure that work pays, we need to drive investment in the economy, and we need incentives for business to do so.  
[Interruption.]

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I certainly think that we have got the message. Can we have short interventions? I have a lot of speeches to get in, and someone cannot intervene on a Member who is intervening.

**Pauline Latham:** Thank you, Mr Deputy Speaker.

I will ignore what the hon. Gentleman said because, again, it is topsy-turvy economics. We are trying to increase investment in business to provide more jobs. We have created 2 million more jobs in the past five years, and that is carrying on. Apprenticeships are increasing, which will help people into work. In my constituency of Mid Derbyshire, which started off with 1,267 claimants in 2010, the figure went down to 340 this May. That is a huge reduction. I would still like those 340 people to be in work.

Some hon. Members have talked about youth unemployment. I started off in Mid Derbyshire with 350 such claimants; the figure is now down to 80. That is a huge increase in the number of young people who have jobs, thanks to our brilliant local industries. Young people are better off in work—everyone is better off in work than on benefits. We want to stop the culture of people relying on benefits.

As the Secretary of State for Work and Pensions said, when the Labour party was in government, it put up benefits before an election, flatlined them and then put them up again before the next election. Labour Members

should not be playing politics with benefit claimants, who need honest, clear benefits. Those who need benefits will get them under this Government, but we want to get more people into work because that is better for their self-esteem and health; it is also better for their children to have as a role model someone who is in work.

**Chris Green:** When it comes to the relationship between the individual and the Government, it is healthier not to be recycling money and taxing people into poverty, only to give them some of that money back. Does my hon. Friend agree?

**Pauline Latham:** My hon. Friend makes a very good point, and that is exactly what the Government are trying to escape from. They are trying to raise the tax threshold, so that more people keep more of the money that they have earned. That must be a good thing to do. We need to grow the economy and get the finances under control, with the national debt falling.

**Mr Betts:** The hon. Lady rightly talks about the need for honesty in politics. Obviously, she believes profoundly in what the Chancellor has proposed in his Budget. Why, then, was that not set out for the electorate to take a view on before the election? Why was it hidden away until after people voted?

**Pauline Latham:** As the hon. Gentleman knows, we did not know what the result of the election would be. We did not even know that we would be in government; we thought that we might be in a coalition. It might have been the Labour party in a coalition. We have now had a Budget that sets out extremely clearly for the electorate exactly what we will do over the next five years. We want to invest in business. We want to help businesses, so that they can employ more people. That has certainly happened in my constituency, as it will have done in his constituency and those of every hon. Member, because business has created so many jobs. The climate is right for business. Britain is open for business, and we need to get more people working hard.

**Bob Stewart** (Beckenham) (Con): We have created 2 million more jobs in the past five years, and we intend to create 1 million more. That is a target. It is how we will increase the productivity of this country and the wealth of the individuals in it.

**Pauline Latham:** My hon. Friend is absolutely right. One of the ways in which we will do that, hardly mentioned by Opposition Members, is by changing inheritance tax. People have paid taxes on their money. They have bought their houses, and it is good to allow them to leave their houses to their children, so that they can benefit as well. The housing market is difficult for younger people. If parents can leave their houses to their children, that will benefit society.

Something that has not been mentioned at all is the 2% commitment on defence. I would have thought that everyone in the Chamber would welcome that; it was certainly welcomed by Government Members yesterday. I cannot believe that no one wants to mention it at all. Surely the Opposition believe that that is a very good thing for the country, to secure our safety and security here.

Labour Members should welcome the fact that the success of our long-term economic plan has created jobs and is encouraging growth, which has meant that spending on welfare as a percentage of GDP has been falling since 2012.

I should like to finish because time is short—I apologise, Mr Deputy Speaker. This is a good Budget for jobs, for employment and for this country. I commend the Chancellor and the Secretary of State for Work and Pensions on their sterling work and on how they have put this country on a much better footing.

1.26 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I represent a south-west London suburban constituency, not an area normally associated with high housing stress, difficulties and problems. I have had the great fortune to be the MP for Mitcham and Morden—the place of my birth—for the past 18 years. Half the people I see at my advice surgery come to me with housing issues.

For 16 years, before I first entered the House, I worked for Battersea Churches Housing Trust and, before that, for Wandsworth Council in the homeless persons unit. I have seen long queues for bed-and-breakfast accommodation. I have seen people in desperate straits, but that has not prepared me for the length and depth of the problems that people face in securing housing in my constituency.

I sometimes hear myself tell constituents things like, “Oh, please don’t go homeless on a Friday or a Monday, because God only knows where the council will be able to put you. You see, they can’t take into account the fact that your daughter is doing her A-levels or O-levels, that your mum is ill, that you have a job. They have to put you in temporary accommodation where they can find it.” These are things I say without even thinking about them.

On a Friday night, I regularly see vulnerable children with vulnerable mothers go off to bed and breakfasts on the other side of London, if not in Birmingham. I am not ashamed to say that I wake up in the night and think about what happens to those families—what sort of accommodation they are going to and how they will manage. However, it is not on behalf of those people that I stand to talk this afternoon because many Opposition Members will do that more eloquently than I can.

The people I want to speak for are all those in good jobs who save their money, but cannot get a foot on the housing ladder. They cannot buy their homes partly because they are being eased out of London by those who already own a home: the buy-to-let landlords. Housing is becoming an investment model, rather than somewhere to live, have a family, put down roots and become part of the community. It has become a real problem for that generation. The possibility of buying the home in London that my family had in the fifties and I had in the eighties is not there for the generation coming up now. We have to do something for them if we are to avoid the family breakdown and problems that will inevitably arise if we do nothing.

For those reasons, I welcome the Government’s announcement that they will look at the £14 billion in tax breaks that landlords can claim every year. There are not many things that I, the Chancellor and my hon. Friend the Member for Islington North (Jeremy Corbyn),

who is standing in the Labour party leadership election, agree on, but reform of buy to let and how buy-to-let landlords are treated in the tax system is one of them. The Exchequer gives tax relief on mortgage interest payments, money spent on repairs and maintenance, and even accountants’ fees to help landlords to take full advantage of the relief. Some of the tax breaks help tenants—we should encourage landlords to keep their property in a good state of repair and to improve living conditions—but it is completely unfair to give landlords a £6 billion tax break on mortgage interest payments.

Why is it right to subsidise the mortgages of people buying their second, third or fourth home with taxpayers’ money when so many people cannot afford even to take out their first mortgage? People paying off the mortgage on their own home that they live in do not get those tax breaks. We should be incentivising buying to live, not buying to let. Mortgages for landlords are cheaper than mortgages for first-time buyers, in part thanks to that subsidy, and it distorts the housing market. As of last week, the cheapest two-year buy-to-let mortgage cost less than half the cheapest two-year first-time buyer deal, according to brokers. That puts first-time buyers at a real disadvantage compared with buy-to-let landlords, who are swamping the market and shutting out first-time buyers. A third of Members of this House are themselves buy-to-let landlords.

The changes announced by the Chancellor yesterday are a drop in the ocean and do little to tackle the ridiculous double taxpayer subsidy of private rental landlords. We are, in effect, giving a double taxpayer subsidy to buy-to-let landlords because we give tax breaks of £6 billion that encourage people to buy to let and monopolise the housing stock, and then, when tenants cannot afford the growing rent, the taxpayer has to give them housing benefit. Housing benefit paid to private landlords has now reached £9.3 billion, or 38% of the total bill. With fewer people able to buy homes, there is more demand in the private rental sector, which in turn pushes up rents.

I am pleased that the Government have agreed this is a problem, as the Budget shows, but their proposals utterly fail to confront the buy-to-let taxpayer subsidy in any significant way. The flawed principle that landlords can claim tax relief on their mortgage interest will remain; landlords will simply get a slightly lower tax relief. The Government’s own documents estimate that it will save the taxpayer just £665 million pounds a year by 2020—just one tenth of the £6 billion in mortgage interest claimed back in tax breaks by landlords in 2012-13.

To seriously tackle the root causes of the housing crisis in this country, we have to go further than reducing these unfair tax breaks by a meagre 10%. Taxpayer subsidies should be used to help people to get on the housing ladder, not to pull the rug from under their feet. By looking again at mortgage interest tax breaks for landlords, and cutting them by more than just 10%, or even limiting them to new builds, the Government could save up to £6 billion pounds—the equivalent of grants to housing associations that could enable them to build 100,000 new social housing units. Spending the money on building new homes, instead of on existing bricks and mortar, also helps to stimulate the economy and provides jobs. For every £1 spent on housing construction, an additional £2.09 of economic output is generated.



**Mark Tami** (Alyn and Deeside) (Lab): Is my hon. Friend as worried as I am about the amount of ex-local authority housing bought by buy-to-let landlords that, unlike properties that remain in council ownership, is in a very bad state of repair?

**Siobhain McDonagh**: I totally agree, but may I make it clear that I am a big supporter of the right to buy? I believe it has liberated a lot of people, but it is the opportunity for all, or all who can, that I want to save today.

Correcting the flaws in the tax system would stop the housing market from being distorted to disadvantage first-time buyers.

**Mark Pawsey** (Rugby) (Con): If the hon. Lady is such a strong supporter of the right to buy, does she welcome, as we do, the right to buy for tenants of housing associations?

**Siobhain McDonagh**: My problem with the current plans is what they will do to the security and continuing support that housing associations can provide, but if the Government can provide a model whereby we can replace those properties, one for one, my answer is: almost certainly.

Many constituents come to me afraid they will never be able to save enough to put down a deposit on their first home; most of their monthly pay packet goes straight on rent and there is nothing left to save. Their rent is driven up by buy-to-let landlords, who monopolise the housing supply and charge what they want. As a result, 82% of people in London who do not own a home believe they will never be able to do so. If the unfair advantage given to buy-to-let landlords is removed, more people will be able to buy their first home; in addition, there will be reduced demand in the private rental sector, so rents and the housing benefit bill will fall. I urge the Chancellor to look again and do more with buy-to-let mortgage tax breaks.

1.36 pm

**Craig Tracey** (North Warwickshire) (Con): Thank you, Madam Deputy Speaker, for giving me the opportunity to make my maiden speech. It is a pleasure to follow the hon. Member for Mitcham and Morden (Siobhain McDonagh).

Standing here now, I realise how wise were the words of my hon. and good Friend the Member for Tamworth (Christopher Pincher) when he, during his maiden speech, suddenly understood the significance of the occasion and said,

“nobody is looking forward to the end of my speech more than I am”.—[*Official Report*, 2 June 2010; Vol. 510, c. 526.]

I can assure the House that this is definitely the case for me, too.

Having said that, I am delighted to have been called in this debate following the first Conservative Budget for 19 years, as during the election economic competence was one of the key issues raised on the doorstep. I know that many of my constituents will be pleased that the Chancellor has already implemented promises made in our manifesto, especially the increase in the lower tax threshold and the introduction of 30 hours of free childcare.

I pay tribute to my predecessor, Dan Byles. He was my local MP, so I can confidently say that he served our community with true integrity and commitment. Dan stood up resolutely for his constituents and was seen as champion, fighting for them on issues that mattered—none more so than the mitigation and compensation for those affected by HS2. I will continue to fight for that cause in the manner for which he was so respected. As a result of Dan's hard work and that of my right hon. Friend the Secretary of State for Work and Pensions, unemployment dropped to the lowest level ever in our constituency. Dan was rightly proud of that.

It was an outstanding achievement for Dan to win the seat in 2010, with the smallest Conservative majority of just 54 votes, although I note that, following the last election, 54 is a cushion that many colleagues would be delighted with. As his constituency chairman in 2012 and 2013, I confidently predicted that not only would he win in 2015, but I would ensure that we doubled his majority. Having now increased the majority to nearly 3,000—[HON. MEMBERS: “Hear, hear!”]—that may be the only target that I have been happy to get wrong by such a considerable margin. Indeed, should this career not work out, then, given that margin of error, I see a possible future as a pollster. [*Laughter.*] I am sure that many constituents and indeed many Members of this House will join me in thanking Dan for his work and send him and his family the very best wishes for their future.

My own route into politics was not exactly a traditional one. Until recently, I subscribed to the thoughts of the eminent historical figure Blackadder that “Wanting to be a politician should actually ban you for life from ever being one.” I grew up in the renowned Conservative heartland that is Durham city and attended the local comprehensive, Framwellgate Moor. My dad was one of 15 children and moved from Ireland in 1960s, when he met my mum in London. They moved back to her native north-east and eventually set up and built their own business, which they have now run for over 40 years, employing many local people in the process. It was from them that I learned the Conservative belief of aspiration, and that with hard work and resilience almost anything is possible. They inspired and encouraged me to start my own business at 21, and it is some testament to them, and to the tolerance of the British people, that I still ran that business until I was elected to the House just a few weeks ago. I will miss my three staff—Laura, Allison and Georgia—but I am sure that they now realise they did all the work anyway and do not really need me.

The North Warwickshire and Bedworth constituency is a wonderful mix of towns and villages, boasting a rich history of coalmining and industry. The small market town of Atherstone sits on the old Roman Watling Street, and the town centre has changed very little in 750 years, even though the traditional hatting industry has now disappeared. The town still plays an annual Shrove Tuesday ball game, a tradition that has survived for over 800 years, although given the physical nature of this game, the lifespan of competitors is significantly less.

Coleshill is a historic coaching town in the western part of North Warwickshire, lying close to the outer edge of Birmingham. It is a thriving community, which also hosts successful companies such as Sertec, BMW and a host of others at its Hams Hall estate. Incidentally, it is also famous for being the town that invented Brylcreem.

The largest town is Bedworth. Although predominantly thought of as an ex-coalmining area, it also formed an important part of the 19th-century silk ribbon weaving industry of Coventry and North Warwickshire. One world famous ribbon maker still operates in Bedworth—Toye, Kenning and Spencer, which produces high-class medal ribbons and masonic regalia that are exported around the world. In the centre of the town is Bedworth's hidden gem, the picturesque Nicholas Chamberlaine almshouses, managed by the Nicholas Chamberlaine Trust, which celebrates its 300th anniversary this year. Bedworth also proudly hosts the largest and most famous Armistice Day parade in Britain, which is always held at the exact hour, day and month each year.

The constituency is dotted with many smaller villages that all have their own identity, such as Fillongley, Austrey, Newton Regis, Warton, Grendon, Baddesley, Shustoke, Mancetter and—not forgetting my home for the last 15 years—Shutlington, a small village that is famous not just for the Wolferstan Arms pub, but as the birthplace of Charles Bonner, a recipient of the Victoria Cross.

Our major local issue remains HS2. The line will run through a number of areas, such as Water Orton, Kingsbury, Middleton and Polesworth. I will do all that I can to support residents in their opposition to the HS2 route, and to assist them with their mitigation and compensation cases.

The main hospital in our constituency, George Eliot, has undergone a huge transformation in recent years, thanks to the hard work and dedication of the staff there, working in partnership with the Government. It has recently achieved a good rating, and I will work with it to ensure that this excellent upward progression continues.

I am very proud of the previous Conservative record on increasing apprenticeships, and this is an area that I will continue to champion. It is important that we not only deliver high-quality qualifications that benefit local students and employers, but give pupils a real choice in the path that they take when leaving school.

Finally, we are rightly respected across the world for our outstanding military, and it is great to see many colleagues now on these Benches who previously have served their country. Although I did not serve myself, I am very proud of the nearly 10 years that my wife Karen spent in the RAF, seeing active service in the first Gulf war. In such volatile times, we must remember that the first duty of Government is to protect their citizens. Equally, there is a duty that, when we ask our brave servicemen and women to put themselves at risk for their country, we do so safe in the knowledge that we have provided them with the best possible training, equipment and resource to do so. On that, I welcome the Chancellor's commitment to the 2% figure.

I want to finish by expressing my thanks to the people of North Warwickshire and Bedworth for electing me to be their representative in Parliament. This is a role that I do not take lightly or underestimate. I relish the challenge of making North Warwickshire and Bedworth an even better place to live over the next five years.

1.44 pm

**Judith Cummins** (Bradford South) (Lab): Thank you, Madam Deputy Speaker. It is a pleasure to follow the hon. Member for North Warwickshire (Craig Tracey).

There can be no greater privilege than becoming a Member of this House, the mother of all Parliaments, and I am particularly proud to be delivering my maiden speech as the Member for Bradford South. This great sense of pride and privilege has been possible only because the good people of Bradford South placed their trust and confidence in me. For that, I will be eternally grateful, and I promise I will never let them down. I am proud to be the first woman to represent Bradford South, and to be the first woman parliamentarian from the transformational Ruskin College.

My predecessor, Gerry Sutcliffe, served Bradford South for 22 years from 1994, following the untimely and sad death of the hugely respected Bob Cryer. With Gerry's departure, the House has lost a generous, approachable and extremely popular Member. Many in this House, from all political parties, will have benefited from his sound advice, his sharp wit, and perhaps most importantly, his pearls of wisdom about this season's football player transfers. Incidentally, you would get such pearls irrespective of whether you had actually asked for them.

Bradford South is one of five constituencies covering the metropolitan area of Bradford. We are renowned first and foremost for our proud industrial and cultural heritage, but we are also recognised by the discerning for other—often under-appreciated—reasons. For example, the village of Howarth was home to the great literary Bronte family, a fact known all too well by the Japanese tourists who annually pay homage. Our creativity is legendary, a fact recognised by UNESCO when it bestowed upon Bradford the prestigious UNESCO city of film status. In the world of British politics, few would be aware of the fact that it gave birth to the Independent Labour party, fighting for social justice, thus giving its chairman, Keir Hardie, his seat in this House in 1900. In the world of sport, I know that all Members will be aware of the fact that we are home to the world-famous Bradford Bulls.

I have spoken about Bradford as a place, but, as the cliché goes, a place is only as good as the people who live there, and in that regard I am most fortunate indeed. The people of Bradford South are fair-minded, good-natured and hard-working folk. In return, they rightly expect fairness and justice, security and respect in old age, a decent education for their families, affordable homes to call their own, access to free healthcare on demand and a job that pays a fair day's wage. These fundamental needs are what all people in our country should expect. I promise to dedicate my next five years to working to ensure that these fundamental needs are respected and upheld for the people of Bradford South. Sadly, they are all too often beyond the grasp of hard-working people in my constituency, and that must change. I will campaign tirelessly for Bradford South until these fundamental needs are met to their fullest. It will be on these fundamental needs that I will hold this Conservative Government to account during this Parliament.

I am in the Chamber today to pursue the same struggle that led Keir Hardie to this House some 115 years ago—the fight for social justice. People living across Bradford deserve social justice, a phrase that is sometimes overcomplicated by academics and commentators alike. To me, it is not complicated; nor is it to the people of Bradford. By the same token, neither is injustice complicated—the upwelling of discomfort in the pit of your stomach in the face of injustice will be familiar to all.

[Judith Cummins]

We see injustice on pensions. We would all agree that we need to look after the elderly, yet pensioner poverty is still a reality. Those who have worked hard all their lives and paid into the system deserve dignity and security in old age, yet far too many of our older generation are still struggling to get by. This simply cannot be right and it must change.

We see injustice in housing. As a country, we need to ensure that all our citizens have access to affordable homes—a home to raise their family and a home in which to enjoy their retirement years. We need a housing sector that delivers for the ordinary people of this country.

We see injustice in access to healthcare services. Too few people are able to access timely appointments at their local GP surgeries and NHS dentists. As a country, we need to look after our young and old, our mums and dads, our daughters and sons. Without good health, so much else becomes increasingly difficult, or even impossible—working a job, looking after our families, playing in the local park. Good healthcare services are the cornerstone of a thriving community. Our healthcare services need to support our local communities and at the moment that is simply not happening. Increased resources for those critical services must be a priority.

We also see injustice in access to further education. Too few of my constituents are able to access the courses they so desperately need. Without access, they will not be able to develop the skills critical to a prosperous career in the global market we inhabit. The reason for that is simple: insufficient investment. Education equips people for a successful and prosperous life, where they get on and are able to cope with life's challenges. In Bradford, we are blessed with two outstanding education institutions, Bradford College and Bradford University. They have transformed the life chances of countless generations of young people in Bradford over the decades, but—without sufficient resources—their ability to continue to transform the lives of Bradford's people, both young and adult learners, will be stunted. In higher education, the abolition of the student maintenance grant, announced yesterday, is a backwards step, which will limit aspiration and undermine the concept of one nation that the Government seek to champion.

We also see injustice when we look at the number of jobs that pay a fair day's wage. Weekly pay in my constituency is significantly below the national average, and the consequences of that are stark. For example, HMRC child poverty figures reveal that in my constituency an appalling 28.3% of our children—the future of this country—are stranded in poverty. Without family incomes rising in line—and, indeed, above inflation—children are always the first to suffer. We need those children to become the scientists, the artists, the wealth creators and the inspirational leaders of tomorrow, but we condemn them to the most deplorable start in life. That must change. At first sight, yesterday's Budget announcement on the living wage appeared to offer hope to the working poor, but closer scrutiny reveals that any benefits accrued will easily be wiped out by deep cuts to in-work benefits.

I pledge to stand up for the people of Bradford South against such cynicism, and I conclude with words of warning from Martin Luther King, who said:

"Injustice anywhere is a threat to justice everywhere."

1.52 pm

**Graham Evans** (Weaver Vale) (Con): It is a great privilege to follow the hon. Member for Bradford South (Judith Cummins)—a fine constituency and a fine city. I am sure that she will do an excellent job as the constituency's new MP. I also pay tribute to my hon. Friend the Member for North Warwickshire (Craig Tracey), an outstanding individual who will, I am sure, do a great job for his constituents. I also pay tribute to his good lady wife for her service to Queen and country.

At a time of uncertainty abroad—be it in Greece, Russia or the middle east—the Chancellor delivered a Budget that prized economic stability at home. It was a one nation Budget that will provide security for working people in Weaver Vale, greater Cheshire and the north-west as a whole. Despite the chaos in the eurozone, Britain is still growing faster than any other major advanced economy in the world—faster than America and Germany. Our economy grew by 3% last year, a figure revised upwards from the 2.6% we expected in March. Our long-term economic plan is working. Indeed, before the election, the US President commented that the UK must be doing something right on its economy.

British businesses, backed by the Government through tax cuts and the removal of red tape, have created 2 million new jobs since 2010. I know that businesses across Weaver Vale welcomed the announcements made by the Chancellor yesterday about the extension of the employment allowance to £3,000 and the news that corporation tax will fall to 18% in 2020—from the 28% we inherited five years ago.

Earlier, the shadow Chancellor said that science and technology were not mentioned in the Budget, but the Chancellor has a fine record on such investment, including in Sci-Tech at Daresbury. The previous Labour Government took investment away from Daresbury, and when I became MP for the area in 2010 I was advised by the then Chairman of the Science and Technology Committee—he is no longer a Member, but he was a fine Chairman and I pay tribute to him—to watch like a hawk to ensure that the new Government did not take away investment from Daresbury as the previous Government had done. Instead, the Chancellor invested £150 million recently in big data, and I was proud that, just before the election, IBM signed a £130 million partnership with the Science and Technology Facilities Council that will secure high growth and high-tech, well-paid jobs for my constituents in the long term. That is good for my constituency and for the country, as we become an international hub for science and technology and big data.

The OBR has predicted that a further 1 million jobs will be created over the next five years, but we are the party of ambition and we want to go further. We are working towards a target of full employment—a job for everyone who wants one and a country that is open for business. In the past five years, Government-backed schemes such as the right to buy, have helped 200,000 people on to the property ladder. That is vital, because home ownership is central to the aspirational country that we are building. Owning their own home means so much more to families. I was born in a council house, the youngest of four children. My family lived there for 20 years and, in 1972, Ted Heath's Conservative Government offered us the opportunity to purchase the property, so my parents did so. My father died when



I was a teenager and my mother had security in old age and retirement because they had invested in that house. The right to buy is central to the Conservative party's philosophy that everyone should have a home of their own.

Yesterday, my right hon. Friend the Chancellor gave Britain a pay rise. Over the course of the Parliament, the introduction of the national living wage could be worth more than £5,000 to someone working full time for the minimum wage. I need not tell the House how much that extra income will mean to hard-working families trying to get on. Not only will working people earn more, they will keep more of what they earn. Typical taxpayers will pay £905 less tax than in 2010, thanks to the increases in the personal allowance over the last five years.

**Mr Betts:** I do not know whether the hon. Gentleman has seen the analysis from the Institute for Fiscal Studies today, but it says that the minimum wage announcement will not go anywhere near compensating for welfare cuts in cash terms. People currently on tax credits will be significantly worse off and the reform could cost 3 million families an average of £5,000 a year. That is the IFS's calculation.

**Graham Evans:** I have to confess that I have not seen those figures, but the Government's overall mantra is "A higher wage, lower tax, lower welfare economy", which will benefit all of our constituents. That is in contrast to the Labour party, which had a high-tax, low-wage, high-benefit culture. That is the debate we are having today: the Conservatives want high wages and low benefits and I believe that the Budget will move Britain in that direction. That will be good for the country, for my children and for our country's future. We are a beacon in Europe, as its second biggest economy, and if we continue down the same road, in 10 to 15 years we will become the biggest economy in Europe. The whole world is watching this great country, and we are the beacon for how things can be done in difficult economic circumstances.

**Barbara Keeley** (Worsley and Eccles South) (Lab): I want to add to what my hon. Friend the Member for Sheffield South East (Mr Betts) said. The IFS has said that it is "arithmetically impossible" for the Chancellor's national living wage to offset the loss of income from tax credits. I recommend that the hon. Gentleman reads that. Will he and other Government Members who have said similar things to him today also advertise a surgery on tax credits and invite their constituents to see how they feel about it and whether they think this Budget makes things better?

**Graham Evans:** I am most grateful to the hon. Lady. I will indeed look into those figures. I hold surgeries every Friday, so I will see constituents about that. What I would say to her is that unemployment in Weaver Vale has dropped by 70% since 2010, and that is 80% full-time, good quality jobs.

I am not saying it is easy, but these difficult decisions have to be made. When Gordon Brown introduced working tax credits, he said the figure would be £2 billion. It is now £30 billion. The Labour party has to decide—I asked this question yesterday and did not get a reply—whether £30 billion is too much, too little or about

right. We have to make these difficult decisions, but the hon. Lady makes an important point. I am not saying for a moment that it will be easy, but we are the party of aspiration. We are the party that always makes work pay, which is something that did not happen under 13 years of Labour.

**Jeremy Quin:** My hon. Friend will recognise, as those of us on the Government Benches do, that we will still be paying out tax credits in the same numbers that we were paying them out in 2007 and 2008, under the last Labour Government. What we are talking about is the sudden spike to which my right hon. Friend the Secretary of State for Work and Pensions referred in his speech.

**Graham Evans:** My hon. Friend makes a powerful point. Working-age benefits are something we have to tackle so that we can eradicate the deficit and start paying down the national debt. That is what I believe in. I believe that the Government are right: a higher-wage, lower-tax, lower-welfare economy. Britain is open for business. That is the future for our country.

2.1 pm

**Marie Rimmer** (St Helens South and Whiston) (Lab): I extend my congratulations to the hon. Member for North Warwickshire (Craig Tracey) and my hon. Friend the Member for Bradford South (Judith Cummins) on their excellent maiden speeches today.

I am grateful to the people of St Helens South and Whiston for the faith they have placed in me to represent them here in this great Chamber. St Helens South and Whiston has a proud economic heritage and is at the heart of British industry and innovation. It is therefore only right that we continue to build on innovation and provide more and better jobs for our residents. This is a key element of my maiden speech.

First, I pay tribute to my immediate predecessor, Shaun Woodward, who had a distinguished ministerial and parliamentary career. I pay tribute in particular to his work in Northern Ireland and his support in securing the construction of the new St Helens South and Whiston hospital and the demise of the workhouse that was our hospital. I wish Shaun every happiness and success.

I would like to express my sincere appreciation for the genuine support given to new Members by the Commons staff. They are simply wonderful people and a credit to Westminster.

My constituency gave the world household names such as Pilkington and Beechams, as well as being home to the first railway trials, at Rainhill, when Stephenson's Rocket became famous the world over. It is a constituency that quite literally enabled Britain to become the industrial powerhouse of the world. Britain would not be what it is today if it was not for the coalmines of Bold, Clock Face, Cronton and Sutton Manor. Over 30,000 people were once employed in my constituency in the great British industries of coal, manufacturing and pharmaceuticals, all of which revolutionised the world. Sadly, these jobs are gone, replaced too often by low-paid, short-term, part-time and insecure agency employment. I have seen nothing that the Government have done to help to eradicate that. We have 8,600 children in working families that are receiving either child tax credits or child and working tax credits. I am deeply concerned about the impact of yesterday's Budget on those families.

[Marie Rimmer]

However, today I want to talk about how my constituency can once again make Britain great and how it can be at the leading edge of innovation and creativity. Just last year, NGF Europe, based in my constituency, won the Queen's award for innovation. Although I worked in the glass industry for 37 years, I will not pretend to know exactly what a small filament diameter glass cord actually does. But what I can say is how proud I am that they are made by skilled workers employed by NGF Europe, continuing our great glass-making tradition.

My constituency sits at the heart of the much talked about northern powerhouse—it was previously the northern way—as a generator of wealth and jobs. We aim to be a centre for logistics in St Helens and Whiston—a centre with connectivity and a place where industry and manufacturing can grow once again. The development of advanced manufacturing is our goal, leading to good, well paid jobs, high-level skills development, work experience and qualifications.

As hon. Members can tell, my constituency has always been at the heart of industrial change, and its heart has suffered from that change. Losing so many jobs from our economy crippled many families and tore not only the heart but the soul from their lives. My constituents literally lived through industrialisation and de-industrialisation. My hope is that they will live through further advanced manufacturing and industrialisation.

In 2008, the global financial crisis, caused by Lehman Brothers, had a devastating impact on my constituency. Quite simply, our plans were put off track. The Government of the day had to borrow to save our banks and, perhaps even more importantly, the savings of ordinary working-class people. But that was by the same Chancellor who paid off more debt than any previous Government on record. I am proud of that Chancellor.

The result of change has been the creation of a resilient people, often innovative in their own way and willing to try something new—proud people, with values underpinned by trade unionism; people who are warm and caring, with a great sense of humour. We have over 13,000 unpaid carers and over 400 recorded young carers—that is, children caring for their parents. It is estimated that there are 2,000 unrecorded young carers. As hon. Members will see, we are a strong community, compassionate and caring. We help each other. Above all else, my community has a strong heart—a resilient heart. That is why I want to see economic development that repairs the wounds of the past and gives each and every person an opportunity to shine—an opportunity to embrace new industries so that they can thrive.

In trying to grow our economy, we have great support. Our businesses are supported by a remarkable chamber of commerce—one of the largest in the country and twice awarded British chamber of the year. It is nationally recognised for its passionate approach to tackling the skills agenda for both employed and unemployed young people and for supporting business start-ups. We are also supported by a local enterprise partnership that is focused on business growth and ensuring fairness and equity in the jobs market. We connect industry, colleges and universities to nurture innovation and advanced manufacturing. My constituency shares its values with the rest of Liverpool city region, in that it is outward looking and strongly committed to helping our young people and graduates into work.

A strong economy goes hand in hand with a strong society, and we have an excellent voluntary sector. I pay tribute to the 93 voluntary organisations and the army of volunteers. We are proud of the many volunteers who support our Willowbrook hospice, awarded the Queen's award for volunteering. We are proud of and thankful for all the support and volunteering given to our food banks to ensure that our families do not go hungry. We are very proud of St Helens and Whiston's new state-of-the-art hospitals, a major NHS employer that provides the highest standards of medical care and just last month was recognised for providing the best patient experience in the UK.

We have St Helens—Saints—the internationally recognised rugby league team, twice former World Club champions and current Super League holders, now at Langtree Park, our world-class new stadium, and also providing good employment opportunities. Indeed, Russell Crowe, the star of “Gladiator” and “Les Misérables”, chose to come to Langtree Park rather than appearing at the Oscars this year.

We will continue to look forward to the economic challenges, building on the strength of our excellent manufacturing base. We will continue to champion skills, transport and business growth at every opportunity. We will continue to afford all the people of my constituency the dignity of work that is respected and rewarded with fair and just conditions and pay. My constituency already plays a leading role in manufacturing and in exporting goods to Europe and the rest of the world. We are willing and able to play an even bigger role in championing the growth of advanced manufacturing and exports of the future.

My constituents and I believe that Government should encourage and support such economic growth by investing in infrastructure and incentivising the private sector to invest to do what Britain is best at—innovating, producing, and exporting—thereby reducing the trade deficit and increasing revenues so that all people may benefit. This is my focus and my firm intent during this Parliament. I will not let my constituents be let down. I will ensure that my voice is heard and that my constituents get a fair, just hearing in this great Chamber.

2.11 pm

**James Morris** (Halesowen and Rowley Regis) (Con): It is a great pleasure to follow the maiden speech by the hon. Member for St Helens South and Whiston (Marie Rimmer); I have a sneaking suspicion that she is going to be quite a formidable presence on the Opposition Benches during the next five years.

Britain has come a long way over the past five years. Tough decisions have been made to get the country's deficit under control, to reform the welfare system, to make business more competitive, and to create new jobs. Unemployment in my constituency has fallen by more than 50% since 2010. In the black country, part of which I represent, there has been a significant manufacturing revival such that the region has been one of the fastest-growing of any in the United Kingdom over the past two years.

At the heart of this Budget is a recognition that we need to continue the work to rebalance the British economy away from London and the south-east, to make sure that we have a productive and balanced economy in the midlands, the west midlands and the north.

Devolution of power, funding and decision making is absolutely fundamental if the regions of the United Kingdom, including the black country, are to reach their potential.

We need to encourage more jobs and investment in the black country, where we have a huge number of brownfield sites that can be used for development. One need only think of the industrial heritage of the black country to know that huge swathes of its land can be used for the development of industrial sites and for housing. I urge the black country's local enterprise partnership and local authorities to identify appropriate brownfield sites for economic development to bring new jobs, taking advantage of the powers and responsibilities that the Government are offering to develop those sites. We should not go down the route of a recent idea by Dudley council to develop a huge industrial site on green-belt land just outside Halesowen. That is a very bad idea. I am the first to want to get jobs and investment into the black country, but the policy of Dudley's LEP and local authority should be to focus first on brownfield in developing new jobs and opportunities.

At the heart of the plan to make Britain a more productive economy is further investment in skills to make sure that our young people are equipped to take advantage of the opportunities out there. That is why I welcome the Chancellor's announcement in the Budget of a levy on larger companies to encourage further investment in quality apprenticeships. There have been 4,000 new apprenticeship starts in my constituency since 2010, but we need more and we need them to be better matched with the available opportunities in the local economy. That will build on the success of the Government's city deal in the previous Parliament, which saw a significant level of investment, with about £1 million coming into the area for the development of a science and technology apprenticeship centre at Halesowen College.

Those are precisely the sorts of high-quality opportunities that we need in our local economy to encourage a greater focus on science and engineering—for example, to support the supply chain of Jaguar Land Rover. At the heart of this Budget, and absolutely fundamental to the future of the country and of the regions of Britain, is the continuation of the work that we started over the past five years to tackle the productivity problem by investing in high-quality skills so that people can take advantage of these opportunities.

While the Budget recognises the need to rebalance the economy and to make our businesses more competitive by cutting business taxes and creating more jobs, there is also—this has not been mentioned so far—the welcome commitment to further substantial real-terms increases in our national health service over the next five years. The Budget is clear in its commitment that this Government will support Sir Simon Stevens's five-year plan for the NHS to continue the work of making it one of the best health services in the world. This Government, through this Budget, are committed to those real-terms increases over the next five years.

As the Financial Secretary to the Treasury is on the Front Bench, I want to make the case—which fits into the narrative of the new Government on one-nation Conservatism, supporting people and making a more resilient and productive economy—that some of the new money being allocated to the NHS should be focused on improving mental health care. I was chairman

of the all-party group on mental health in the previous Parliament. The argument is strong, given that mental health will become the most important health challenge that we face over the next 20 to 25 years. I am pleased that the Conservative party manifesto had specific pledges on mental health in the NHS, focusing on extending the range of availability of psychological therapies across the country, that are now being translated into action in government. The previous Labour Government introduced the IAPT—improving access to psychological therapies—programme, and the coalition Government invested £500 million in developing it. Now we need to take it further to give it to anybody who needs it.

**Catherine West:** I support the hon. Gentleman's comments about mental health. I hope that some of the extra funding could go towards reducing the long waiting lists for IAPT, particularly where people are on benefits such as employment and support allowance and want to get off them and back into work. I hope we can work at a cross-party level to reduce the waiting lists for those crucial counselling therapies.

**James Morris:** I thank the hon. Lady; she makes a very good point. The Conservative party manifesto had a commitment to extend the range and availability of psychological therapies. The Department for Work and Pensions has been running pilots on specific forms of back-to-work support for people suffering from mental health problems—for example, individual placement and support.

We need to invest further in child and adolescent mental health services because—this is why I raise the issue in the context of the Budget—it makes economic sense to do so. It fits into the thrust of the Budget, which is that we need to build a more resilient and productive economy. We have a commitment to invest in perinatal mental health. If we get the investment in mental health care right, it will lead to huge economic benefits for Britain, a more productive society, stronger families and more resilient individuals—people capable of stepping up to the plate and taking advantage of the opportunities out there.

I urge Ministers to be sympathetic to the cause of mental health in the national health service as they consider further investment in our public health system, and to continue the work of achieving the Conservative manifesto commitment to greater parity of esteem between mental and physical health in the NHS.

A more productive economy, a more competitive business environment with lower taxes and a focus on high-quality skills and further job creation in a highly competitive global economy, combined with investment in our health service and in meeting the key health challenges of the future, such as mental health care and building more individual resilience—all that is the true measure of a one nation Conservative Government. We are creating an economy that can generate millions more jobs, building on the jobs that we have already created in the last five years, and a more entrepreneurial society, in which people are prepared to take risks and invest for the future. We are building not only a more competitive economy, but a more compassionate society.

**Several hon. Members rose—**



**Madam Deputy Speaker (Natascha Engel):** Order. The speeches are getting a little long, but I do not want to impose a time limit, especially as the next two speakers on the Opposition side will make maiden speeches. If we can keep speeches to eight minutes and interventions to an absolute minimum, we will get through everybody.

2.22 pm

**Calum Kerr** (Berwickshire, Roxburgh and Selkirk) (SNP): Thank you, Madam Deputy Speaker, for giving me the opportunity to make my maiden speech in this magnificent Chamber. The sense of history and occasion in here is tangible. It has long been a place of high emotion and drama, from the plotting of Guy Fawkes to the second world war, when it was bombed no fewer than 14 times. Those events should remind us of the fragility of liberty and democracy—something we must never forget.

We in the SNP are invested in an open, civic, inclusive and aspirational polity that seeks a better Scotland in a better world. We have made many friends in this place already, and I hope we will continue to do so.

I represent a constituency that is one of the most beautiful and diverse in these islands. Berwickshire, Roxburgh and Selkirk is vast and varied, stretching almost from one coast to the other. Its many towns and villages are proudly independent, and each has its own identity, traditions and history. As a native, I am delighted and proud to call the Scottish borders my home. I urge anyone to visit—all my colleagues seem to have done the same, but my constituency is the first one you come to as you cross the border—and to see the many and varied attractions, from Sir Walter Scott's home at Abbotsford to the ruined abbeys across the region. You will find no warmer welcome anywhere, I promise.

Hon. Members should know, however, that borderers have fierce pride, huge family loyalty and, if roused, fire in their hearts. For centuries, political authority was loose in my constituency. Indeed, some parts were known as the debatable lands. Cattle were moved backward and forward over the border, clan feuds were common and arguments were often settled in brutal fashion. In this Chamber, convention has it that opposing Members are separated by two sword lengths. That has never been a propriety observed in my part of the world.

Close by in Northumberland lies Flodden, where in 1513 Scotland's finest fell in a battle that is remembered across the borders in our common ridings in places such as Hawick, Coldstream and Selkirk. Every year, the Selkirk common riding honours the single Scottish warrior who crawled back holding an English banner. The Liberal Democrats must now understand what that feels like. [*Laughter.*]

I want to single out one Liberal Democrat in particular—my predecessor, Michael Moore. Michael was an immensely hard-working MP, who was rightly held in great affection in the constituency. I have always found him a warm, gracious and principled adversary, as well as a highly capable politician. One of his greatest achievements was his private Member's Bill in the last Parliament, which legally bound our Governments to allocate 0.7% of GNP to overseas aid. That is a worthy testament to an honourable career. I am sure that all Members will join me in wishing him all the best for the future.

Our borders landscapes are not just varied and beautiful; they are a hugely important part of our economy, generating revenue and sustaining employment. We do, however, face real disadvantages. Rural Scotland, including my constituency, can feel like a forgotten land—a policy afterthought: take technology infrastructure and, in particular, mobile phone spectrum licensing, where the UK Government's clamour for money leaves rural areas short-changed. If other countries can mandate 99% coverage and insist on rural areas being covered first, we can too.

Rural areas also suffer from poor transport links. As the argument rages over HS2, we would be happy just to get better conventional rail. Of course, our new Borders Railway opens in September. That is a welcome investment by the Scottish Government. Now, we must examine the feasibility of extending it to Hawick and Carlisle. I call on hon. Members on both sides of the Border and from all parts of the House to join me in advancing that important project.

We also need support for our Scottish farming communities. This is an area where the UK Government are wantonly failing to provide assistance. The EU's common agricultural policy provides a lifeline for many farmers, but Scotland will end up bottom of the payments league on pillar 1 by 2019 and is already at the bottom on pillar 2. UK Ministers have cynically failed to pass on more than €220 million of convergence money that was intended for Scotland. On pillar 2, the EU's newest member state, Croatia, already has a budget more than 20 times that awarded to Scotland. That is a remarkable abandonment. UK Ministers have been not so much sleeping on the job as comatose in the corner.

The Prime Minister promised to respect Scotland, but he and his Government continue to neglect our national interests. The Smith commission agreed that Scotland should lead on EU fisheries talks when appropriate. There was therefore an expectation that when the UK Minister was unable to attend talks some weeks ago, the Scottish Cabinet Secretary would do so. The UK Government blocked that, and instead sent an unelected Conservative peer with no involvement in fisheries. Such behaviour flies in the face of assertions by the Prime Minister and his colleagues that all parts of this United Kingdom are equal. Indeed, it presents a compelling argument for Scottish independence—and so does the behaviour we have seen from the Government in recent days. To reject every single SNP amendment to the Scotland Bill, while also suggesting that it should be amended in another place, is to laugh in the face of Scottish democracy.

Moreover, the crippling austerity Budget with which we were presented yesterday completely ignores the traditional Scottish—and, indeed, United Kingdom—values of fairness, protection of families, and decency. My hon. Friend the Member for Banff and Buchan (Dr Whiteford) made an excellent speech that gave a voice to some of the vulnerable groups the Budget targets.

But there is hope. There are times when the Government's stubbornness can be broken by the will of this House, as we have seen today with the suspension of plans for English votes for English laws. Ministers have retreated in the face of parliamentary numbers, and we have sent them homewards to think again. I welcome that, and urge them to learn their lesson and do the same more often.

Despite the Government's hostile actions, we have not come to this place to agitate for independence. We are here to protect and promote Scotland's interests, and to stand with all those who will oppose austerity and work for freedom, human rights and social justice. We want to be constructive, and to fulfil our constitutional role in opposing this Tory Government—and, at times, opposing the official Opposition too. Our 56-strong SNP team were elected to this place in the most powerful affirmation of a people's democratic will ever seen within the Union. The move towards a better, fairer, more democratic Scotland took a huge leap forward in May. This is our time. We come from an ancient nation, but we bring new thinking. I urge all Members to listen to what we have to say, for we have much to offer.

Let me end by asking Members to reflect on the words of the French philosopher Voltaire—[HON. MEMBERS: "Ooh!"] I am sorry that it is not Robbie Burns. Voltaire famously remarked

"we look to Scotland for all our ideas of civilisation."

We may be the elected representatives of a highly civilised nation, but my colleagues and I come here without conceit. We know that we will not always be right, but we want to listen, make friends and forge alliances. We seek fairness and a fair hearing, and we will always sit at the right hand of those who are at home with freedom. Like all in this place, regardless of politics or party, we want to do what we can to build a better world. Let that better world be the continuing and permanent vision and aspiration of each and every one of us, and, together, let us spare no toil in making it so. [*Applause.*]

2.33 pm

**William Wragg** (Hazel Grove) (Con): It is a pleasure to follow the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr). I wish him a long and distinguished career in the House. I hope that he and his colleagues will forgive me if I add that I hope to see his seat represented here for a long time. We are, of course, relieved to learn that the SNP is no longer agitating for independence from the House. As a Unionist, I am greatly reassured by that.

It is also a pleasure to follow the maiden speech of the hon. Member for St Helens South and Whiston (Marie Rimmer). Many people have asked what the boundaries of the northern powerhouse will be, but I can see that, in typical northern fashion, she will be boundless in pursuing the interests of her constituents. I pay tribute to her for making a characteristically warm speech. I also pay tribute to the hon. Member for Bradford South (Judith Cummins).

I warmly welcome the Budget as both a strong plan for the country's finances and an important statement containing a considerable number of measures that will affect my constituency. As many Conservative Members have already noted, the continued strength of the recovery in the economy is impressive. Our growth is outstripping that of the rest of the G7, employment continues to rise, and unemployment continues to fall.

In my constituency, substantial progress has been made over the last five years under a Conservative-led coalition Government. Since 2010, there has been a fall in the number of people claiming jobseeker's allowance, and an even more impressive fall of 58% in youth unemployment. Those may sound like the dry statistics that are pronounced all too regularly in the House,

but they are much more than that. They reflect real people. The 49% fall in unemployment in my constituency represents 713 people: 713 people with greater prospects, greater financial security and greater peace of mind when it comes to providing for themselves and their families.

It is against that background that I want to speak briefly about two specific measures in yesterday's Budget. My right hon. Friend the Chancellor's announcement of a living wage of £9.00 an hour by 2020 is to be welcomed. Tackling low pay is part of our plan to move to a higher-wage, lower-tax, lower-welfare society, building a more productive Britain and giving families the security of well-paid work. This measure will benefit 6 million workers across the country, and will boost pay for those who are currently earning the minimum wage by £5,200 a year. To see just what that means to working families on low wages, one had only to look at the expression on the face of my right hon. Friend the Secretary of State for Work and Pensions, such was his obvious joy at the announcement.

Beyond the euphoria of that moment, however, it is worth considering the careful balance that has been struck between the new living wage for employees and what we must do to offset the resulting cost to employers. Small businesses can be reassured by the plans to extend the employment allowance to £3,000, cutting the jobs tax for firms, so that a business will be able to employ up to four people, full time, on the new national living wage and pay no national insurance at all. Larger companies will benefit from a reduction in corporation tax from 20% to 18% between now and 2020. As part of the Government's plan to make work pay, the announcement of an increase in the personal allowance is also significant. A further 727 people in my constituency alone will pay no tax at all, and the total number of beneficiaries will be some 34,677. Again, those are seemingly dry statistics, but there is a real, positive story behind them.

While the Chancellor was able to pull the living wage rabbit out of the hat, the nettle that he had to grasp was that of tax credits. Members will, I hope, forgive me for reminding them that tax credit expenditure trebled in real terms between 1999 and 2010 to an estimated £30 billion—a far higher level than was expected by the "prudent" Labour Chancellor of the time. Some Chancellors can be accused of robbing Peter to pay Paul, or giving with one hand and taking with the other. However, the policy of tax credits itself, created by the last Labour Government, meant that the state would, in effect, tax with one hand and "give" benefits with the other, thus creating an inefficient cycle of tax and spend. The policy succeeded in greatly inflating the size of the welfare state and bloating the system that was required to administer it, but by taking money away from people in tax only to credit it back to them later, it did little to increase their net income and standards of living. My right hon. Friend the Chancellor is now faced with the unenviable task of unpicking that knotted system, built up under 13 years of Labour rule. It is no easy task, but the Budget makes some important headway.

As I have said, I welcome my right hon. Friend's Budget. I believe that, by allowing people to earn more and, most importantly, to keep more of what they earn, it will raise the living standards, prosperity and wealth of the country as a whole and my constituents in Hazel Grove in particular, and I commend it to the House.

2.38 pm

**Dr Paul Monaghan** (Caithness, Sutherland and Easter Ross) (SNP): Thank you, Madam Deputy Speaker, for giving me an opportunity to contribute to the Budget debate.

As we heard from my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), history is important. We can learn much by studying the social and economic conditions of the past, and my constituency holds many lessons that are relevant today, for I represent the part of Scotland that endured the clearances. Indeed, it would be remiss of me if I did not begin my speech by paying tribute to the remarkable families, and the crofters, who lost their livelihoods, their homes and their lives during that shameful period of history.

The clearances were perpetrated during the 18th and 19th centuries when highlanders were forced from land they had held for generations. The clearances shifted land use from farming to sheep raising because sheep were considered more valuable than people. In the process, a way of life was exterminated to further the financial ambitions of aristocratic landowners. The evictions that took place are remembered for their brutality and for the abruptness of the social change that they prompted. At the time this Parliament compounded the inequity by implementing legislation to prohibit the use of the Gaelic language, the playing of bagpipes and even the wearing of tartan. The cumulative effect devastated the cultural landscape of the counties that I represent and the resulting impact destroyed much of Scotland's Gaelic culture.

This Parliament's policy ultimately failed, although I suspect that the Chagos islanders would recognise this account. In those dark days the cries and pleas of innocent families were ignored. If they were lucky, those families were dragged screaming from their homes, evicted and left to face destitution. If they were unlucky, their homes were simply set alight as they sat within them. The clearances forced the migration of highlanders to the sea coast, the Scottish lowlands, and further afield to the new worlds of north America and Australasia. Today more descendants of highlanders are found in those diaspora nations than in Scotland itself. These dispossessed highlanders travelled the world and applied their creativity and resource in ways that have benefited all of humankind. The economic and social contribution of the ancestors of people from my constituency stand today as a shining example of why the free movement of people is something no Government should hesitate to encourage.

As we debate the Government's Budget, it is unfortunate that the cries and pleas of many people in my constituency continue to be ignored. Whereas in history the people of the highlands were burned out of their homes so that others could profit from sheep, the beneficiary of this Budget will be the financial markets that continue to take precedence over people. The impact will be that vulnerable people will face impoverishment owing to lack of economic opportunity, low wages, Europe's lowest pensions, further experimentation with the failed system that we know as universal credit, the erosion of working tax credits and, frankly, the stifling lack of imagination that is self-evident in the austerity these measures promote, and that has raised the UK to be the fourth most unequal society in the developed world in terms of wealth inequality. For many in my constituency,

past and present, the hardship, misery and impoverishment that accompany this inequality are the only consequences of the Government's long-term economic plan that has been over 300 years in the making.

While some here today speak of economic laws, I choose to highlight the fact that many of our fellows are starving. It is time we recognised that economic laws are made not by nature, but by human beings. These laws are chosen for implementation by human beings and their effect will be felt by human beings. A further £12 billion of cuts, accompanied by a punitive sanctions regime, will do nothing except ensure that the jeely piece, of which my hon. Friend the Member for Glasgow South (Stewart McDonald) spoke in his maiden speech, will remain a significant feature of childhood for far too many of our children.

Until 8 May my constituency was a Liberal stronghold. As long ago as 1918 the seat of Caithness and Sutherland was held by Sir Robert Leicester Harmsworth, Baronet of Moray Lodge in the Royal Borough of Kensington. I don't think he was a local. Later the seat was held for many years by Robert MacLennan, who sits now as Baron MacLennan of Rogart just a short walk away, and more recently by the 3rd Viscount Thurso, John Archibald Sinclair, the fifth generation of the Sinclair family to represent Caithness in this Parliament. I pay tribute to Lord Thurso. In the past few weeks I have learned that he was a popular member of the establishment here at Westminster and I wish him well for the future.

I have lived in the highlands of Scotland for the greater part of my life and I can confirm that Caithness, Sutherland and Easter Ross is one of the very largest parliamentary constituencies by area and, despite what many of my colleagues will claim, it is easily the most beautiful—spectacularly so. It is a great honour for me to represent a highland seat in this Parliament. It seems clear that in my constituency at least, few ordinary people have had that privilege.

Beautiful as my constituency is, it is subject to great acts of vandalism. Cape Wrath is the only site in Europe where live 1,000 lb bombs are dropped. The bombing is enormously destructive to fragile wildlife and excludes communities from the proximity for up to 120 days each year. Similarly, Scotland's oldest royal burgh, Tain, is tormented by fast jets flying as low as 150 feet to drop 1,000 lb concrete bombs just a few miles from housing estates and primary schools. It is instructive that while many of my constituents work tirelessly to protect our marine animals, our rivers, our wildlife and our environment, this Government consider it acceptable to bomb the land that we consider precious. I say instructive because this seems to be the manifestation of the one nation ideal that my hon. Friends and I are expected to be impressed by, but from which communities in my constituency derive only disadvantage.

I have spent much of my adult life in the voluntary sector, working with those cruelly challenged by the UK Government's long-term economic plan. Like others, my family and I pay the punitive electricity charges and excessive carriage charges that this Government impose. We are exposed to the reform of rural fuel duties that has brought a new and vital meaning to the word "failure". My communities prepare for the disastrous repercussions of the recent announcement of the closure of three Royal Bank of Scotland branches in our rural areas, and our businesses endure the iniquitous transmission



charging regime maintained by this Government, which acts as the main obstacle to securing energy supplies and wealth for Scotland.

We are used to empty promises, but in the early days of this Parliament, Scotland has chosen to watch as the promises of something

“as close to a federal state as possible”,

where

“all the options of devolution are there and are possible,”

are publically erased from the Scotland Bill. The Government know that for many, this Budget visits hardship on disadvantage.

Like my hon. Friend the Member for Inverclyde (Ronnie Cowan), I grew up fascinated and inspired not just by the technological achievements of Project Apollo, but by the social achievements of the civil rights movement. As a child I learned of the bravery of Rosa Parks and how she changed the world, and as an adult I learned of the personal challenges met and overcome, and of the uncommon political imagination of Franklin Delano Roosevelt. In those individuals I found examples not only of bravery but of imagination; the imagination to perceive the benefit of change in a world that aspires to achieve, not receive.

Many of those who supported me on 7 May did so in the belief that it is now time to achieve, and their uncommon political imagination sits around me today. Our aim is to achieve the right to build a fairer Scotland; we aim to establish a state of affairs where our old, our disadvantaged and our vulnerable are valued, and where our poor are protected not punished.

I made the decision to stand for election to this Parliament knowing, as Mrs Parks did, that

“I had the strength of my ancestors with me”,

and I know, as you do, Madam Deputy Speaker, that “all are equal”. Indeed, I stand here today knowing, as Mr Roosevelt did, that the

“test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have little”.

In that task we will not be found wanting for, like Roosevelt:

“We are going to make a country in which no one is left out.”

**Several hon. Members rose—**

**Madam Deputy Speaker (Natascha Engel):** Order. Before I call the next speaker, we are getting tight on time and now that the maiden speeches are over I will be a bit stricter. I do not want to impose a time limit, but if we can keep speeches to about seven or eight minutes—that is a maximum; Members should not feel that they must use all that time—we will get everybody in.

2.51 pm

**Lucy Frazer (South East Cambridgeshire) (Con):** It is an honour to speak after the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), who spoke eloquently. I was particularly interested to hear how his constituency is similar to mine and faces many of the same issues—it is a rural constituency where rural broadband and transport are key issues. I was also interested and honoured to speak after the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) who made an equally passionate speech. I look forward to hearing many more speeches from him on similar subjects in the future.

This Conservative Budget is a Budget of core Conservative values—financial security, national security, and making work pay—and I wish to identify three different areas that I think should have cross-party support. The first is preparing our young people and getting them into work. It is about apprenticeships and the first step for our young adults to make their way in life. There can be little criticism of a scheme that helps to provide the foundations of the highly skilled workforce that we need for a competitive British economy. Through the apprenticeship levy, businesses are encouraged to take on and train our next generation, which will benefit from in-work training. We created 2 million apprenticeships in the last Parliament, and are committed to creating 3 million more—an ambition that surely must be welcomed.

The second point is about ensuring that for those in work, work pays, and that is achieved through the introduction of a national living wage. The concept of a living wage has had support from many quarters, including small and large businesses, parties across the political spectrum, and consumers across the country. The previous Government increased work opportunities across the country, and those in work must be paid fairly for the work they do, and be able to support themselves and their families from their own income. The new living wage starts to address that issue.

The living wage will also make headway in closing the gender pay gap. Historically, women have suffered more from low pay than men, and that has been a key factor in the gender pay gap. By increasing the minimum wage to a living wage, women stand to benefit and we take another step towards wage equality. Some have said that the amount the living wage is set at may not go far enough quickly enough. I note, however, that the right hon. Member for Doncaster North (Edward Miliband) called for an £8 minimum wage by 2020. The Chancellor has given us a £9 wage by the same date.

Thirdly, and critically, we must live within our means as a country. We cannot leave unnecessary debts to the next generation. In 2010 many said that it was not the right time to reduce the deficit. We had one of the highest deficits in the western world and we were coming out of recession with high unemployment. However, those who did not support the deficit reduction in 2010 must surely support it now. This year, the economy is predicted to grow by 2.4%, making us the fastest-growing western economy. We have the most competitive corporation tax in the G20. Our businesses have created 2 million more jobs since 2010, and the Office for Budget Responsibility forecasts that 1 million more will be created in the next five years. If now is the not the time to cut the deficit, when is?

The question must not be whether to cut the deficit to bring the country back to a surplus, but how. A Budget that makes efficiency savings, reduces tax avoidance and ensures we have a welfare system that rewards work must be, and is, the fairest way to achieve a stable recovery for all.

**George Kerevan (East Lothian) (SNP):** The hon. Lady and many others on the Government Benches have referred to the cut in corporation tax and the low and competitive rate of corporation tax in this country as an aid to economic development. I appreciate that we need to maintain competitiveness on corporation tax, but I put it to her that all that has happened in the past eight or nine years is that British companies have used

[George Kerevan]

that tax cut to build up something in the region of £550 billion of cash reserves that they are not investing. The weakness in the Budget yesterday is that it did nothing to encourage those companies to invest and raise productivity.

**Lucy Frazer:** In a global economy, where companies can invest in any country they choose and base their operations anywhere around the globe, it is absolutely essential that we get companies to invest in our country. We are ensuring that that happens by setting a competitive rate of corporation tax.

**Jeremy Quin:** Does my hon. Friend, like me, welcome the OBR's confirmation that business investment grew by 8% last year? It expects business investment to grow this year and next year. I think my hon. Friend has quite a lot of ammunition with which to respond to the hon. Member for East Lothian (George Kerevan).

**Lucy Frazer:** I am very grateful to my hon. Friend for his intervention. Investment in our country is growing, which is why we have an increase in revenues.

For all three reasons, this is a Conservative Budget that is a Budget for all. It is founded on principles that should command cross-party support.

2.57 pm

**Mr Clive Betts** (Sheffield South East) (Lab): I pay tribute to those who have made maiden speeches. The hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan) spoke passionately about inequality and the disadvantaged. I think many of us will share those sentiments. I have been to his constituency and it is very beautiful. I am pleased that I can still go there on holiday without having to go abroad. The hon. Gentleman was generous to his predecessor. John Thurso chaired the Finance and Services Committee in this House and did an excellent job of putting the internal finances of this House into good shape. He should be congratulated on that. My hon. Friend the Member for Bradford South (Judith Cummins) mentioned her predecessor, Gerry Sutcliffe. I would have to say, with a bit of tongue-in-cheek, that Gerry has certainly left a big hole in the defence of the parliamentary football team, but I will move on.

The Budget has certainly received big headlines, but I will try to focus on one or two details that probably do not make quite such good reading for Government Members. The Chancellor is coming back in the autumn with his forecast for cuts to departmental spending. Local authorities in the previous Parliament had £10 billion of the £27 billion of Government grant cut—nearly 40%. That has disproportionately affected poorer authorities in the north. The forecast is for another £9.5 billion of cuts in this Parliament on top of that. Local authorities have done very well to be as efficient and effective as possible with the spending they are left with. They simply cannot carry on delivering the services that our constituents want from them if those £9.5 billion cuts follow on from the cuts in the previous Parliament. Why has local government been disproportionately singled out for cuts compared with other services? That is the question the Government have to answer.

There are two areas where I think there is a particular problem. I support the principle of the Government's devolution proposals if they are not simply a mechanism for passing on more cuts for local authorities to deliver. We have to have some concerns about that. I would say, however, that, given that they are primarily about trying to rebalance the economy and with the talk of the northern powerhouse, we should look at what has happened to local authority spending on planning and economic activity. Local Government Association figures show a massive 55.4% cut in spending on planning and economic development in high-cut authorities in the last five years, and even in medium-cut authorities, that figure is 47%. Those sorts of figures will not support the economic regeneration and development in the north that the Government and everybody else want, which is a matter of particular concern.

We have a real problem in social care. The NHS has had some protection, but 300,000 fewer elderly people are getting social care from local authorities now than in 2010, because authorities now offer it only to those in the greatest need. Age UK says that more than 1 million people needing care are not getting it, which puts pressure on the NHS and accident and emergency units and results in beds being occupied by people who should be in their own homes being properly looked after; and this year, there will be a further cut of more than £1 billion to those services.

We cannot carry on like this. If we are going to have proper joined-up health and social care, social care needs some protection as well. I raised this point with the Secretary of State. Social care has some of the lowest paid employees of any sector in local government or any other service. If the living wage is applied at £9 per hour to everyone in the social care sector, it will cost local authorities about £1.5 billion by 2020. Local authorities cannot find that money on top of the cuts they have to make anyway. They simply cannot do it. This is an added burden that the Treasury must bear by giving that money back to local authorities. Instead of showing in the Red Book, as it does, a £1.5 billion saving in the welfare budget, the Treasury has to give this money back to local authorities to compensate them—and that does not include the cost of paying other workers in a similar way.

I hoped the Budget would boost house building in this country, but let us look at the hidden effects. The cap on local authority borrowing has not been lifted, but the rents that housing associations and local authorities can charge have been reduced from the commitment by the previous Housing Minister, the hon. Member for Hertford and Stortford (Mr Prisk), who promised rent increases of CPI plus 1% over 10 years, to a 1% reduction per year. The Chancellor said yesterday that it would come from efficiency savings. No, it will not. Housing associations and local authorities cannot cover 4% a year less in rents through efficiency savings. The LGA has said that it will reduce the ability of local authorities and housing associations to invest in new homes and improve existing ones, while the National Housing Federation said today that, on a conservative estimate, it would reduce the amount of money available for development by £3.9 billion and mean 27,000 fewer social homes being built. That did not appear in any of the Budget headlines. I repeat, some 27,000 fewer social houses will be built because of the Budget and there will be a £50 million loss to the housing account in my own

city of Sheffield. Those are figures that the Chancellor did not crow about yesterday, but they are there in the bottom lines of the Red Book.

There are additional problems, particularly for housing associations and local authorities, arising from the impact of welfare reforms, rising rent arrears, extra collection costs and the uncertainty of the right to buy scheme. These are all issues that will affect the ability of associations to borrow more money. They have already borrowed on the strength of the forecast rent increases, and now those increases have been taken away from them. No one can run a business like that, with the Government constantly chopping and changing the forecast revenue streams.

There is this idea of extra rents for higher-paid social housing tenants. Outside London, I think it is £30,000 a year. That is not particularly high pay for a family. Why should families who have been social housing tenants for years and have suddenly started earning £30,000 be penalised? It does not happen to owner-occupiers. What sort of system will be set up to do this? Will local authorities and housing associations have to means-test their tenants to identify those who earn more than £30,000 a year? Otherwise, how are we going to do it? When someone starts to earn £30,000, will their rent suddenly jump up overnight, or will there be a system of tapers? It is just another system where, as people earn more, the state takes more back. How does that make work pay? How is it consistent with the rest of the Budget? There are some questions that the Government simply have to answer.

Does the rent increase apply to supported housing with care? Housing association and local authority arrangements mean that the wage costs for those packages are about 80% and it is not possible to get out of them. If the rent revenue to fund them suddenly drops, those care supported packages and that particular sort of specialist accommodation will no longer be viable. Have the Government thought that through or will they exempt rents in care and supported-package housing?

Finally, I want to address the issue of 18 to 21-year-olds not having an automatic entitlement to housing benefit. A lot of these people are very vulnerable indeed. The Albert Kennedy Trust told me the other day that 24% of people who go to Crisis and Centrepont are from the lesbian, gay, bisexual, and transgender community. They are often very frightened and very worried. They have probably just come out to their parents and are frightened to go home because they are not welcome there. Are they now going to be excluded from entitlement to housing benefit? What will the exceptions be? How will the Government set them down, and will they consult on them so that they are actually meaningful?

A lot of the detail in the Budget did not come out in yesterday's headlines. I am really worried about the effect of the impact of cuts on local authorities—will the Government fund the living wage?—and about the impact on the development of badly needed social housing, which will be drastically cut by the Budget.

3.6 pm

**Kevin Foster** (Torbay) (Con): It is a delight to follow those who have already spoken, including the hon. Members for Caithness, Sutherland and Easter Ross (Dr Monaghan) and for Berwickshire, Roxburgh and Selkirk (Calum Kerr), who made their maiden speeches.

It was interesting to hear the hon. Member for Caithness, Sutherland and Easter Ross talk about the clearances in a dark period of history. That took me back to learning the history of my own church, where I was baptised and confirmed, in Plympton on the outskirts of Plymouth. It was desecrated by troops loyal to Cromwell in reprisal partly for its support of the royalist cause in the civil war. It is interesting to see the statute that stands outside it today. I enjoyed the speech of the hon. Member for Berwickshire, Roxburgh and Selkirk. We have had the UK and US versions of "House of Cards", and given the content of his speech, we know he could write the Holyrood version.

I welcome the Budget outlined by the Chancellor yesterday and the many steps it sets out. I am particularly interested in the investment plan for the south-west of England. The description that has been given of infrastructure in the southern part of Scotland reminded me of last night's Adjournment debate on infrastructure in the south-west, for which there is a £7.2 billion investment plan. That is about not just the big ticket projects, such as the Stonehenge tunnel, which will open up the A303 into the south-west, but the smaller projects, such as creating the new station in Edginswell in my constituency; the south Devon link road, which will open at the end of this year after a nearly 60-year wait; and the investment towards opening the Whiterock business park, which will create new opportunities for high-skilled, high-paid jobs in an area that perhaps for too long has been reliant on more seasonal employment and lower-paid trades.

The living wage is also welcome. The work of many of the social care staff in the bay has been undervalued for too long. Obviously, there needs to be a discussion about what will happen with local government funding, but it is right that their work is being valued more than perhaps has been the case in the past.

On investing in productivity and the future of our economy, I am pleased about some of the investment that has already gone into my constituency, including the coastal communities fund, which is delivering improvements. Gooch & Housego has used the regional growth fund to expand its production facility in Torquay, and, as we speak, the coastal communities fund is being used to help bring more shops to our high street. There is also support for the future electronics and photonics innovation centre, which, although it will serve Torbay, is about 100 metres over the border in the constituency of my hon. Friend the Member for Totnes (Dr Wollaston). Its work with South Devon College will provide real opportunities for local companies and local students.

I also welcome the news about the increase in the tax allowance, which will take more of my constituents out of income tax altogether. This will combine with the impact of another year's welcome freezing of the fuel duty so that people can see the real benefits stemming from the result of the general election on 7 May, as well as from the performance of the Government before that.

The debate on the living wage is interesting. Last year, I became the first Conservative candidate or MP in 102 years to attend a meeting of the Torbay TUC, when I was invited along to discuss its living wage campaign. Afterwards, it pointed out that I had just broken that particular record. I have certainly been pushing my local council—sadly, not a living wage employer—to look at picking this up, and I am pleased that compulsion will now apply from a national level.



[Kevin Foster]

It would be remiss of me not to reflect on the support offered to our NHS. Torbay has many attributes, and one is that we have an older than average population. One ward in my constituency has 9% of the entire population aged over 85 and it is soon to become 10%, which presents a range of challenges for managing chronic illnesses and care conditions, along with other elements that follow from that type of demographic. In Paignton, too, the number of over-60s is expected to be 30% above the average, so I welcome the continuing support for the NHS and hope that we can work closely at the local level to deliver an integrated care package for local people to ensure they get the best available services.

In reflecting on some of the proposed changes to benefits, it has been interesting to hear some of the protests over the last 24 hours. We should recall that back in October 2013, Labour's spokesperson on this subject claimed that Labour would be "tougher on benefits" than the Tories. It is interesting to hear all the vitriol coming one way without hearing any proposals to clarify what Labour means. Yesterday, the acting leader of the Labour party, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), mentioned that some benefit cuts would have been inevitable, so let us hear some of them outlined. We understand that other Labour Members oppose that and want to put up taxes instead, but it is somewhat hypocritical for them to come here and criticise every policy without putting up their own. The visionary aspect comes from the fact that we are outlining our policy today, knowing that it will be Labour's policy tomorrow.

I very much welcome the continuance of the £90 million coastal communities fund. Comments have been made today by a couple of London colleagues about aviation infrastructure. My appeal would be to make the debate about aviation for the whole country and how best to service the whole country rather than how to provide an extra runway for the south-east. Many routes to key markets in the south-west inevitably pass through Heathrow, but we need a wider aviation debate, not just one—probably for the third time in this place—about whether there should be an extra runway at Heathrow or Gatwick. That debate becomes too narrow for me as an MP representing a constituency in the south-west of England.

It is a pleasure to welcome the Budget. As a practising Christian, it would be remiss of me not to say that I have some concerns about the proposals on Sunday trading. For me, Sunday—certainly at St Matthias in Torquay, which I currently attend—is a joyous and fun day. It is a day when people can come to church as a family, but its value is not attained only when people come to church—often people spend time with their families and enjoy a day that is different and special by comparison with the other six days of the week. There is nothing missing if there are 18 hours during which people cannot visit a large Tesco or Sainsbury. I respect the fact that other Members take a different view, but for me there is something special about Sunday, so any changes made must be appropriate. I am not sure how productive it would be to have a shop in Torbay opening until 5 pm while one in Teignbridge can open only until 4.30. I await with interest the detailed proposals that the Government will bring forward.

**Stephen Timms** (East Ham) (Lab): The hon. Gentleman makes an interesting point, and many Labour Members agree with him on this issue. However, if one area agrees to extended opening, as many no doubt would, is not the reality that the neighbouring areas will have to do so as well, so the devolution issue is a bit of a red herring?

**Kevin Foster:** I would not necessarily agree with the right hon. Gentleman. There were issues involving local licensing authorities, going back to before the reforms that were brought in a decade ago, which meant that some authorities would permit later closing than others. That had worked for some years. There might be a challenge for local planning authorities, however, in that if slightly later opening were permitted, there could be pressure for development on the edge of their area to get around restrictions in neighbouring communities. I understand the difference that the proposals would make for consumers. At the moment, we all know that large supermarkets tend to open between 10 o'clock and 4 o'clock on Sundays, although some of them exploit the ability to have browsing time beforehand.

This is a positive Budget. It is one that we can take pride in, and it will take the country forward. It is notable that it has been based on policies that were agreed and supported by the electorate. The policies were endorsed by 51 of the 55 MPs in the south-west, and I am pleased to be able to support them today.

3.15 pm

**Diana Johnson** (Kingston upon Hull North) (Lab): I should like to start by congratulating all those who have made their maiden speeches this afternoon. I pay particular tribute to the excellent speeches by my hon. Friends the Members for Bradford South (Judith Cummins) and for St Helens South and Whiston (Marie Rimmer).

It will be easy for me, as a Hull MP, to keep my remarks about the Budget fairly brief. That is because the words "Hull" and "Humber" did not appear once in the Chancellor's speech, or in the Red Book, despite the northern powerhouse being a key policy for the Government and Hull being an important city in the north. As my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown) said, we all want to broaden, deepen and strengthen the economy in the north, but it looks as though the northern powerhouse has now become the northern power cut, particularly in regard to investment in rail improvements.

Just a few days ago, the Minister with responsibility for the northern powerhouse, the Under-Secretary of State for Communities and Local Government, the hon. Member for Stockton South (James Wharton), appeared not to know where the north was, so I shall help him by saying that we are the ones who had our rail investment paused, unlike those in the south, where no such pause has taken place. But never mind—we have been offered a plastic Oyster card to make up for the cancellation of the electrification of the TransPennine Express route and the lack of any new rolling stock.

I also want to talk about renewables. The Humber area is working hard to be the UK's renewable energy estuary, in the interests of energy security, of fighting fuel poverty and climate change and of growing this important area of our economy for the nation. It is therefore unhelpful to keep getting so much hostility to renewable energy from those on the Government Benches.

The Budget introduces a change to the climate change levy, which will now also apply to companies that use renewable energy. That will effectively be a charge of £490 million for companies that have switched to renewable energy, and it will discourage firms from using renewable energy in the future. By 2020, the cut will amount to £910 million a year, which will discourage investment in renewable energy sources.

The Chancellor claims that this is a Budget for “working people”. The centrepiece is the pledge of a living wage of £9 an hour by 2020 for those over 25. Younger workers get no such pledge. That is not the living wage. Of course we welcome the increase in the minimum wage—we called for it in our manifesto—but what the Government have announced will not be a living wage because the rate will be too low by 2020. Outside London, the living wage needs to be over £10, not £9, to be worthy of the name. Also, the rate proposed for 2020 is lower than the current London living wage, which is £9.15.

Worse still, the proposals do not compensate for cuts in tax credits. This lunchtime, Paul Johnson of the Institute for Fiscal Studies has said that

“there is simply not enough money going into the new minimum wage to anywhere near compensate...people on tax credits”.

We should be cutting the need for tax credits rather than the tax credits themselves. It is a fact that 75% of children in Hull North live in households that depend on tax credits. They will be worse off overall, just as they were at the end of the 2010 Parliament. One of my constituents, Maureen Craven, will also be worse off even though she is doing the right thing. She told me:

“I have had my grandson living with me since he was four months old. He is now seven years old and I rely on my child tax credit to buy shoes and school uniform.”

Such families, who are doing the right thing, will be affected by this policy.

It is also difficult to take the Tories seriously on the living wage when they have failed to enforce the legal national minimum wage. There have been only two prosecutions for minimum wage non-payment since 2010, and the number of inspections for compliance is falling. Will the Government get tough with big businesses to enforce a living wage? Will they help small businesses that have genuine fears about being able to afford the living wage? Will lower-paid local government workers, who will have years more of 1% pay increases, be paid at the living wage level? Will councils be funded for the costs they have faced—in the light of the cuts—over the past five years? As my hon. Friend the Member for Sheffield South East (Mr Betts) said, there are already growing concerns about the care sector and how it will cope with an additional cut of £1.5 billion that will have to be borne by local authorities.

When it comes to motivating the richest to increase productivity, it means, in the Tories’ view, boosting their income, including unearned income. There is no austerity for them. That is because the Tories have always thought that all wealth creation comes from those at the top of the income scale. For the poorest workers, and everyone in the public services, it involves cutting real incomes and redefining child poverty to cover up the deed. Their welfare to work is really welfare to charity, as we will see, I am sure, at Hull’s food banks. It is the food banks that will need the longer Sunday opening hours, and not local shops, as the Chancellor announced in the Budget.

This was a Budget of selective austerity. It will leave people in a more complex poverty trap. They will have more debt and their work will not pay. After the millionaire tax cut, children of millionaires now get to inherit more unearned income to fund—in the Chancellor’s own words—“their lifestyles”. Meanwhile, aspiring youngsters from working families in Hull trying to get the qualifications for skilled jobs that we want in the city see student maintenance grants axed and turned into loans, and the cap for tuition fees removed.

Let me raise very quickly my concerns about limiting support to two children. It is a particularly ill-thought through policy and will lead to more and more children living in poverty. I am appalled—I use that word advisedly; I do not normally speak like this—by what the SNP spokesperson highlighted yesterday. She spoke about the proposal that a woman who had been raped and conceived a child would, if it was a third child, have to go to the DWP and provide evidence of the rape, and about the stigma that could be attached to the child. It is a disgraceful policy that the Government have brought forward.

As Jonathan Freedland stated today in the media, the rabbit that was pulled out of the hat was very thin. Under close scrutiny, things do not stand up. We will see falling incomes, especially in places like Hull and especially for lower paid women workers. The Chancellor talked about trying to improve wages for people in this country, but that will not be reflected in what this Budget actually delivers.

3.23 pm

**Maria Caulfield** (Lewes) (Con): I congratulate all those who have made their maiden speeches today, including the hon. Members for St Helens South and Whiston (Marie Rimmer), for Berwickshire, Roxburgh and Selkirk (Calum Kerr), for Caithness, Sutherland and Easter Ross (Dr Monaghan) and for Bradford South (Judith Cummins), as well as my hon. Friend the Member for North Warwickshire (Craig Tracey). They all made excellent speeches.

I welcome the Budget, as it ensures security for working people by putting the public finances in order, and sets out a plan for a more productive and balanced economy. I was particularly pleased to see a number of measures that will make a real difference to my constituents in Lewes. The first was the announcement on transport. The freezing of fuel duty for another year is to be welcomed. My constituency, like many, is rural—many residents are heavily reliant on cars, as the area has little or no public transport. Many businesses are reliant on farm vehicles and heavy goods vehicles.

Any increase in fuel duty would have had a significant impact on the amount of money in the local economy, so the freeze is very welcome, as is the announcement on ring-fencing vehicle excise duty and making the owners of more expensive cars pay more. The money raised will be ring-fenced for the English strategic road network. That is welcome news for my constituents, as more money will be used to repair existing roads and to pay for improvements to roads such as the A27, for which the right hon. Member for Doncaster North (Edward Miliband) pledged that he would cut funding if Labour was elected. The A27 in my constituency is a busy and congested road, and this year alone there have been a number of deaths from accidents. The investment in that road is very welcome.

[Maria Caulfield]

In addition, investment in rail infrastructure is very welcome indeed. Yesterday, I spoke in a Westminster Hall debate on the issues we face locally in dealing with Southern rail. A number of MPs from Sussex, Surrey and London and from both sides of the House were there to raise issues about trains being consistently late, consistently cancelled and consistently overcrowded. I am sure that many hon. Members who came here by train today, the day of the tube strike, know exactly what I mean.

Our line from the Sussex coast up to London is at capacity. I was pleased to read in the Budget that the Government will extend the scope of the Lewes to Uckfield study, which is taking place this summer, to consider improving the line between London and the south coast and to re-examine the Department for Transport's feasibility study on the Brighton main line, too. That is a real way to get a second rail main line from the Sussex coast to London. This work cannot come soon enough for the residents of Sussex.

As a nurse, I very much welcome the extra £8 billion to be invested in the NHS to provide a seven-day-a-week service. Due to the changes made locally by hospital management, which I raised in Health questions this week, patients from areas of my constituency such as Seaford, Polegate and Alfriston now have to travel to Hastings for basic services. The extra £8 billion will go towards more local services and making services available at weekends and evenings, so that local people can obtain the care that they need every day of the week.

Housing is a huge issue in my constituency—not just the availability of housing, but its affordability for those who want to buy or rent. I am pleased that the rent-a-room relief will increase from £4,250 to £7,500 next April. I am also pleased that a level playing field between buy-to-let landlords and homeowners will be created by addressing mortgage tax relief for landlords. In my constituency, family homes are increasingly being bought for student lets and used as houses in multiple occupation. This change will free up family housing for local people in my constituency.

Finally, I welcome the welfare changes announced yesterday. As someone from a working-class background, I am only too aware how much of a struggle life can be on a low income. I am pleased that the Budget supports low-paid workers by increasing the tax threshold from £10,600 to £11,000 now and to £12,500 by 2020. I am also pleased about the announcement on the living wage. We have heard much debate about that this afternoon, but it is definitely welcome.

A report last year by the Scottish Public Health Observatory found that changes to tax and benefits could do more to impact on health inequalities than changes to health care itself. It found that the implementation of a living wage is among one of the most effective interventions to reduce inequality and improve health. According to Public Health England, there is currently a seven-year difference in life expectancy between those who receive benefits and those who do not. Anything we can do to get people off benefits and into work must surely be welcome, and the living wage is one way to do that. Introducing the living wage is a massive step forward.

I welcome the Budget, which moves Britain from being a low-wage, high-tax, high-welfare economy to being a high-wage, low-tax, low-welfare society, and I congratulate the Chancellor on it.

3.29 pm

**Jack Dromey** (Birmingham, Erdington) (Lab): Yesterday, the Chancellor trumpeted one nation. If one nation means anything, it is that Britain cannot succeed through London and the south-east alone. Building on Labour's great devolution legacy in Scotland, Wales and London, we are pleased to see the devolution agenda for England moving forward, but we in the west midlands were surprised that there was but a throwaway reference by the Chancellor yesterday to the midlands powerhouse. Little wonder that the Birmingham chambers of commerce accuse the Chancellor of hot air and say it is time that he backed the midlands engine.

**Julian Knight** (Solihull) (Con): Does the hon. Gentleman acknowledge that the midlands engine and the devolution we are undertaking in this country are supposed to take a bottom-up approach, rather than a top-down approach? It is up to the authorities in the west midlands to come to the Chancellor with their proposals, rather than for the Chancellor to dictate to them.

**Jack Dromey**: On this issue, we are at one. We are working together in the west midlands to construct the midlands powerhouse and realise the full potential of the midlands. What was surprising yesterday was that the Chancellor waxed lyrical about the remarkable Greater Manchester, mentioned the northern powerhouse in considerable detail and referred to just about every other part of Britain, and at the end of his remarks made a throwaway reference to the midlands powerhouse. That has not gone down well in the midlands.

Crucially, at the next stages what the Chancellor cannot do is empower but impoverish. One of the great problems with this Government is that everything they do is characterised by a fundamental unfairness of approach. Some £700 million has been cut from the budget of Birmingham City Council—£2,000 for every household—yet in the Chancellor's own constituency there has been an increase in spending power of 2.6%. Likewise, the West Midlands police have been treated unfairly. If they were treated fairly, they would be entitled to £43 million more—enough for 500 police officers back on the beat.

We will never be one nation while the Chancellor and the Government continue to demonise and divide, with their talk of shirkers or strivers, work or benefits. I was born in poverty—my father a navvy, my mother training to be a nurse; they worked hard to get on. I have always believed that those who can work should work, but I object to wicked caricatures of the sort we heard yesterday in relation to the young homeless—“they come out of school, they go on benefits, then they want to get a flat”.

Three years ago, I hosted in the House of Commons the Homeless Young People's Parliament in Parliament—quintessentially middle England, middle Scotland, middle Wales young people, the best of Britain, who had ended up homeless, overwhelmingly through no fault of their own. Last Friday, I was at Orchard Village, which serves



young homeless people in my constituency. It is substantially dependent on housing benefit for its income and now faces closure.

If we are to be one nation, the Chancellor cannot continue to play politics with the United Kingdom, posing one nation against the other. EVEL—if ever there was an accurate acronym, that is it.

As for the Tories being the party of working people, they introduced in the Budget a tax on aspiration, saying to working families in social housing, “If you get on, you have to pay much more or move out.” The party of working people? On Sunday trading, I agree with what was just said. One of Labour’s greatest achievements, the weekend, is now threatened by this Conservative Government, who would compel seven-day working, in reality forcing millions of retail workers, particularly women, to work on Sunday and putting at risk thousands of small stores all over the country.

The party of working people, with the so-called living wage? Yesterday, when the Chancellor spoke about this, he grinned like a Cheshire cat and the Secretary of State for Work and Pensions punched the air, as if England had scored the winning goal in the World cup. The living wage? Twelve years ago, I was a founder member of the drive for the living wage, working through the former Transport and General Workers Union, with the East London Citizens Organisation and London Citizens, to organise, for example, thousands of cleaners in Canary Wharf and the City of London and the first-ever strike in the history of the House of Commons to win the living wage. This is not the living wage or a “new contract” with the British people, as the Chancellor called it this morning; this is a con trick by a cunning Chancellor, who gives with one hand and takes away with the other.

In the west midlands, 56% of families are on tax credits and 300,000 children depend on tax credits. Yet a family with two children and one full-time earner on £20,000-plus now faces losing £2,000: for every £1 they get from a higher living wage, they will lose £2 in tax credits. What is the Government’s answer? They say, “Ah, the £9”. That is £9 in 2020, but they are cutting tax credits in the here and now.

**Chris Stephens** (Glasgow South West) (SNP): The hon. Gentleman is making an excellent speech. Does he agree that there has been a further attack on working people in that public sector workers have been told there will be a 1% pay rise every year?

**Jack Dromey:** The hon. Gentleman and I both come from a trade union background. I feel for public servants such as the firefighters, the police officers, the nurses. All those who do excellent work for the communities we serve, who have already been squeezed for five years, now face but a 1% increase for the next four years. Effectively, that means a substantial cut in the living standards of millions of public servants.

The Chancellor says that the £7.20 rate will start next April, but the real living wage—I repeat, the real living wage—is already £7.85, or £9.15 in London; that is not based on cutting tax credits. As for the Chancellor being the workers’ friend, I did not come down with the last rainfall, and neither did the country. It is not a living wage if people cannot live on it. As the reality dawns and millions feel the pain of what the Chancellor

has done, the last 24 hours of triumphalism on the part of the Conservative party will give way to the grim reality as Government Members go back to their constituencies and explain why they are inflicting cuts in living standards on the hundreds or potentially thousands of families they represent. The IFS’s verdict today is absolutely damning: for 13 million families, the living wage will not compensate for the tax credit cuts, and the poorest will be hit much harder.

When it comes to the Tories as the party of working people, let us not forget that this was certainly not a Budget for young working people. The crucial test of any Government is how they treat the next generation. Young people need the basics in life to get on—a decent job or education, and a roof over their heads. The Budget fails on all those points. It locks young people out of the living wage, makes higher education increasingly a luxury and cuts housing benefit for thousands who would otherwise end up homeless.

At this defining moment for our country, we must ask ourselves about what kind of country, economy and society we want. For me, it is an economy with a real living wage, not a phoney one. Crucially, as I have argued for throughout my trade union life, it is the high-pay, high-quality, high-productivity culture of the kind that can be seen in the Jaguar factory in my constituency. We need a serious long-term economic plan if we are to promote such a high-pay, high-quality, high-productivity culture throughout our country, but the Budget failed lamentably on the fundamentals of productivity, skills, homes, rail and road. Ultimately, this country will never succeed and working people will certainly never succeed if we proceed on the basis of a low-waged, low-productivity economy.

What kind of country do we want? It has to be one in which our citizens are safe where they live and work, their children are protected and we are protected from terrorism. It is therefore fundamental folly for the Government, having cut 17,000 police officers, to continue down the path of cutting 17,000 more police officers. What kind of society do we want? Before the Budget, the OECD was right to warn against measures that would slow recovery and harm the poor, but that is exactly what will now happen.

Rick was a lifelong Tory and an ex-sergeant-major in the British Army, but he has joined my local Labour party. He told me, “I was a lifelong Tory, but I have joined the Labour party because I believe in both aspiration and support for the vulnerable.” He is in sharp contrast to a cunning Chancellor who gives hubris a bad name and is ambitious not so much for the country as for himself. After the last 24 hours—and the last century—now and in the future, the simple reality is that the party for the working people always was and always will be the Labour party.

3.40 pm

**Jeremy Quin** (Horsham) (Con): It is a pleasure to follow the hon. Member for Birmingham, Erdington (Jack Dromey), and we have also heard five excellent maiden speeches this afternoon. Between them, they covered Walter Scott, the Brontës, George Eliot, Roosevelt and Voltaire. I do not want to sow any dissension within the ranks of the Scottish National party, but I will leave it to the hon. Members for Caithness, Sutherland

[Jeremy Quin]

and Easter Ross (Dr Monaghan) and for Berwickshire, Roxburgh and Selkirk (Calum Kerr) to sort out between themselves who has the more beautiful constituency, to which they both laid claim. All five maiden speakers exhibited the great passion with which I am sure they will defend their constituents in the future. I hope that they would all agree that in setting any budget—for a household, a company or a country—it is best to start with reality.

The reality that we face is a deficit of £90 billion a year and a national debt of 80% of GDP. That should have a sobering effect on all our considerations and, clearly, the former Chancellor Alistair Darling is well aware of it, given his remarks this morning. I hope that where he leads the official Opposition will follow. It is the easiest thing in the world to run up a deficit and a Government can become very popular in doing so. As the House knows, it is very painful to get it back under control.

The Budget can be commended on many grounds, but its most important characteristic is that it means we can anticipate our national finances returning to surplus during the lifetime of this Parliament—and a healthy and growing surplus at that. To have eliminated a deficit of £150 billion is a historic achievement.

**Stephen Timms:** Of course, the Chancellor actually announced that he was postponing achieving a surplus for a year, which he said he would achieve by 2018-19. Does the hon. Gentleman welcome that deferral?

**Jeremy Quin:** I am delighted that the Chancellor set out a clear, smooth plan that will get us to a surplus of £10 billion—a larger surplus than was anticipated previously—by the end of this Parliament, and it will grow from there. I recognise the point the right hon. Gentleman makes, but I am proud of what the Chancellor has managed to achieve. I am sure the right hon. Gentleman would accept that the elimination of a deficit of £150 billion is no mean feat.

As we all know, the best way to eliminate a deficit is to achieve growth in the economy. The best news, which I am sure we would all endorse, is the forecast from the OBR of continuing growth in our economy. It is a solid basis on which to build. I especially welcome the extra 8% investment from business in 2014, and the fact that that is expected to grow this year and next will be an important part of our recovery programme. It is great that we are achieving that growth notwithstanding the external headwinds. The shadow Chancellor was a little ungenerous in criticising us for having fewer exports to the eurozone: we are growing as an economy, but the eurozone is in a sorry state and it is no wonder that our exporters are suffering at the moment.

All economic forecasts, however, including those of the wise men and women of the OBR, are of course vulnerable. We only need to look at China and Greece at the moment to realise that no one with any credibility would ever claim that we can abolish boom and bust. I therefore welcome the Chancellor's publication of the new rules of the fiscal charter. This Government, once they have returned the country to surplus within this Parliament, will still be looking to the future. The fiscal charter will help this and, in particular, future

Parliaments to hold the Government to account, to ensure that in normal times they continue to pay down our national debt and restore our national fortunes. Without sound and sustainable public finances, there is no economic security for working people. With sound and sustainable public finances, we will ensure that by the 2030s Britain is the most prosperous major economy in the world.

The whole House would recognise that that prosperity, while welcome, is not a goal in itself. It would be a hollow success if that prosperity was not widely shared among all our citizens. That is why I welcome the Chancellor's creation of the national living wage and the raising of the basic tax threshold to £11,000. I am delighted that it is a one nation Conservative Government who are seeking to take the lowest paid out of income tax altogether. I went on record supporting the principle of a living wage during the election campaign. It seems to me a positive step in ensuring that work pays for all those who undertake it. The principle that we have a society in which everyone has access to work and is fairly paid for it is surely a good one. Higher wages and lower taxes must be a principle that surely Members on both sides of the House would endorse. The natural corollary of that is that in good times there will be lower welfare expenditure.

I welcome the progress on corporation tax, making the UK an enormously fiscally attractive place in which to operate a business. Combined with the employment allowance, this will ensure that the costs for business of meeting the new national living wage are offset. Similarly, I note what my right hon. Friend the Secretary of State for Work and Pensions said earlier about tax credits. The original system cost just over £1 billion but has risen to £30 billion, which is not sustainable. It needs to be addressed, and I note that we will still maintain expenditure on tax credits in real terms at around the level spent in the 2007-08 fiscal year, under the last Labour Government.

Lastly—I recognise that time is short, Madam Deputy Speaker—I welcome the Chancellor's announcement on the road fund and the increased expenditure on the NHS to meet the NHS's own five-year plan, as recognised earlier by my hon. Friend the Member for Halesowen and Rowley Regis (James Morris). My constituency of Horsham has had to accept significant additional house building. That is a concern for many residents. Those concerns will not be eradicated, but they can be mitigated if we all know that there will be enhanced infrastructure to meet the needs of an expanding population. That is especially the case with healthcare, and I look forward to taking up specific issues with my right hon. Friend the Secretary of State for Health. I welcome the additional expenditure on the NHS as a positive recognition that, while we cannot have increased NHS spending without a growing economy, a growing economy may also place increased and different demands on the NHS. I congratulate the Chancellor on an excellent Budget.

3.48 pm

**Kelvin Hopkins** (Luton North) (Lab): First, may I congratulate all the Members who have made their maiden speeches today? It has been fascinating to hear what they had to say and about their constituencies, which are very different from my constituency of Luton North.

The Budget has given me a tax cut that I do not need, which has been paid for by young people, students, the poor and public sector workers. Social justice would require the opposite of that, so I do not buy the idea that the Chancellor has somehow inched towards the centre ground of politics. He is still a right winger, concerned primarily with helping and protecting the wealthy. As my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) has recorded today, the IFS calculates that 13 million UK families will lose an average of £260 a year, while those with estates of £1 million will not have to pay any inheritance tax, so we know where the Chancellor's heart really lies.

Much more interesting than the Budget, which is a typical Tory Budget really, is the OBR's report, "Economic and fiscal outlook", published at the same time. There are indeed myths about the economy that have to be dispelled. Britain's economy is not healthy; indeed, the opposite is the case. Britain is a low-wage, low-investment, low-productivity economy. Indeed, the productivity of Germany and France are 25% greater than Britain's and we are sixth in the G7, with only the ailing Japan behind us—so there are problems, and the Budget will not make much difference to that fact.

Over several decades, Britain's manufacturing sector has shrunk drastically, and it is now far too small to sustain what we need ourselves. As a result, our trade balance, especially with the rest of the EU, is in enormous and chronic deficit. In his Budget statement, the Chancellor made very little reference to the wider macroeconomic environment—which the hon. Member for Horsham (Jeremy Quin) touched on—and that is very worrying indeed.

The Government chant their mantras about the Government deficit and public finances while private debt is surging once again. An asset price bubble continues to grow that will inevitably burst, with drastic consequences for households and the economy as a whole. One million of our people are now dependent on food banks—a number that will be dwarfed when the crash comes. I use the word "crash" because that is what we face, with inept and misguided economic policies at home and global factors again driving us towards recession. China's economy is decelerating and is now in a share price crisis; Japan's economic weakness continues, with no end in sight; the eurozone is a basket case; and the USA has seen a false economic dawn, with another asset price bubble driven by corrupt share buy-back schemes, among other factors.

"Demand is slowing, share prices will be devastated, and recession is coming, with downturns that will be remembered in 100 years." Those are not my predictions but the words of Crispin Odey, one of London's leading hedge fund managers, who tends to get his predictions right, including on the 2008 crisis. My own conclusion is simply that globalisation—neo-liberalism—does not work and that leaving the financial markets and the global corporations free to do what they like, with no effective economic borders to constrain them, has caused one disaster and another is coming.

The Government's claimed economic success since 2010 is a mirage. After 2010, they first tried savage cuts in public spending, in theory to reduce the public finance deficit, but by 2012 they realised that this was simply driving the country into recession, so they reduced their pressure on the economic brake and tried a bit of

quantitative easing. Asset prices began to rise, notably in housing, and consumer spending edged upwards, producing a modest rise in economic growth. However, we still have low productivity—a chronic disease in Britain's economy—and we still bump along, sustained only by low wages and income from asset sales to foreigners: another version of selling the family silver, as Harold Macmillan so famously put it.

The one advantage that Britain does have is its own currency, able to flex to appropriate parities with other currencies. After the 2008 crisis, sterling depreciated against the euro by 27% and against the dollar by 31%, offering a degree of protection against the worst ravages of the crisis. But even that example has been wasted, with sterling surging against the euro from €1.02 to €1.40, increasing our export prices and decreasing import prices by over a third, and driving Britain's ongoing and gigantic trade deficit with the rest of the EU. That deficit—over £1 billion a week—is equivalent to exporting at least 1 million jobs to the continent. Page 71 of the OBR report shows a gigantic current account deficit of some 6% of GDP—about £100 billion, or £1,600 for every person in Britain.

There are sensible alternatives to all this economic nonsense, and with much more time I would have been pleased to spell them out. In the short term, however, we must not be fooled into believing that the Government and their predecessor coalition have got things right when all the elements are present for another economic crisis. The Government are doing nothing to protect our economy from the next crisis, and they must not be allowed to escape the blame when it comes.

Before I conclude, I must again emphasise my concern about the sterling exchange rate. Some Members may remember that I raised my concerns about sterling's over-valuation with Gordon Brown during his time as Chancellor. He responded sotto voce that it was not Government policy to target the exchange rate. In more recent times, I have raised the same issue in this Chamber with the Prime Minister and the Chancellor, with similar measured, if negative, responses. In my very last oral question before Dissolution, I again asked the same question of the now-departed Business Secretary, Vince Cable. He responded, astonishingly, by suggesting that there was no evidence that the exchange rate was a significant factor in the economy's performance. Only a few days later, it was reported that manufacturing was suffering from the high euro exchange rate and that the economy was being sustained only by domestic consumer demand, with the main risks coming from the eurozone.

Much has been made of Britain's greatly improved automotive sector, which I applaud. It is true that we make excellent-quality vehicles, including the Vauxhall Vivaro, made in Luton, but it remains the case that we import twice as many cars from the rest of the EU as we export to it. Had I had an opportunity to do so, I would have reminded Vince Cable of the big depreciation after 2008; the rapid recovery from the 1992 exchange rate mechanism debacle, driven by a large exchange rate reduction; and even the 1931 departure from the gold standard, which laid the foundation for the economic recovery from the inter-war depression.

An appropriate exchange rate is not a sufficient condition for economic success, but it is a vital one. Had Britain been stuck in the euro, at a parity perhaps as high as €1.50 to the pound, the economy would have been



[Kelvin Hopkins]

utterly wrecked, with Britain almost certainly crashing out of the euro, probably bringing down the whole euro edifice in the process.

The Government are riding for a fall if nothing is done to bring down Britain's bloated exchange rate, and soon. Writing recently in *The Guardian*, Larry Elliott said that the Government were sitting on an economic time bomb. That is surely the case, and the priority must be to bring down sterling's exchange rate with the euro. The Budget must be seen in that wider context and the Chancellor's mind should be focused on those wider international dangers, otherwise we will all be in trouble.

3.55pm

**Julian Knight** (Solihull) (Con): I congratulate all those who have made their maiden speeches today. I remember making mine only a few weeks ago. I was glad just to get it over with, to be frank.

What we heard in this place yesterday was one of the great set-piece Budgets—a resetting Budget—along the lines of Lord Howe's in 1981, Lord Lawson's in 1986 and, in a less positive way, Gordon Brown's Budgets of the early 2000s, when he decided to do away with the careful fiscal management he inherited from my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) in favour of a massive expansion of the welfare state and the hyping up of supposed golden rules, which seemed to change according to his whim or to disguise unsupportable Government expenditure.

The Budget contained many measures that will be welcome in my constituency, in particular the extra money for the national health service. Solihull has an ageing population with particular health challenges, so that money will go a long way there. The higher personal allowance, which I will return to in detail, is a fantastic move for the population of Solihull, as it is a hard-working town. I am delighted to report that its unemployment rate is 1.6%. That is because it is the hard-working engine of the west midlands.

The Chancellor has effectively reset how the state interacts with the economy and the individual, subtly, cautiously and over time. In the Opposition debate on tax credits, I acknowledged the important role that tax credits play in many of my constituents' finances. They help them to get over humps in the road in their lives and can be very helpful. I am pleased that the Chancellor recognised that, as I knew he would, and that the overwhelming majority of people who receive help through the tax credits system will continue to do so.

In the same debate, many of my hon. Friends made the point that tax credits were propping up low pay and effectively trapping many people in welfare dependency, and that many people on salaries far higher than the national average were receiving state help when, frankly, they should not be. Over the past decade or so, many of our fellow citizens have moved into a relationship with the state that, over the long term, is unhealthy for their career ambitions, business more widely and the nation's finances.

The Chancellor has pressed the reset button on that situation. We will see a freeze in working-age benefits and a narrowing down of the people who can claim tax credits. To ease the transition away from tax credits for some people, there is a raising of the personal allowances,

which cuts out the middle man by letting people keep more of their own cash, rather than having to go through a complex tax credits system. There is an expansion of childcare provision; the introduction of the living wage, which will rise to £9 by 2020; and support for business, as part of this transfer, through lower corporation tax—something that was opposed by the Labour party in its manifesto—and the ongoing reduction in national insurance contributions for new employees.

The Government are moving from being a nanny who keeps individuals wedded and chained to a fiendishly complex system prone to substantial fraud and endemic overpayment, to being a facilitator. Good Governments should be there to create the correct environment for individuals and businesses to flourish. If that is brought to fruition, it will mark the end of Brown economics, and not before time.

That is all big-picture stuff from the Chancellor, as we would expect, but I should like to say something about the smaller bits of the Budget, and the good news that we have received. I was delighted that he accepted Budget submissions from me and from my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile). We asked him to raise the rent-a-room scheme allowance, which had been languishing at just £4,250 a year since 1996. By raising it to £7,500, he has made up for nearly 20 years of inflation, and will help thousands of home owners who want to let a room to make ends meet, or even just to have some extra company at home. The measure should also increase the availability of rooms to rent in the private sector, which will be particularly helpful to young people who want to strike out on their own in the world.

Another welcome step was the decision to up the compensation for Equitable Life members by an estimated £80 million. There are many former members of Equitable Life in my constituency. It is a black mark on the Labour Government that they first allowed the development of a regulatory regime which effectively allowed the world's oldest mutual to collapse, and then, when its administration was found wanting by the parliamentary ombudsman, wriggled like mad to avoid paying what was due to people who had seen their life savings largely disappear. When the country had the money with which to compensate the members of Equitable Life, the Labour party chose not to use it.

I believe that it does great credit to the Chancellor, and to my hon. Friend the Economic Secretary to the Treasury, that they have not forgotten about those wronged individuals, but—despite the global recession, and despite having inherited the worst public finances since the war—have sought to help. The compensation is not perfect by any stretch of the imagination, but the Government, like the coalition before them, are doing their best within the confines of the current fiscal position.

There are many other highlights in the Budget. The apprenticeship levy, for instance, will help to secure fairness in the apprenticeship system, and the best employers will be rewarded. Like my hon. Friend the Member for Torbay (Kevin Foster), I am no fan of trading on the Sabbath, but I welcome the Chancellor's indication that it should be up to local mayors to set Sunday trading hours. Should we have an elected mayor in the "midlands engine", I shall welcome the opportunity to lobby for a sensitive approach, along with my friends in local church groups. That is real devolution.

Finally, there will be a great deal of cheer over the freezing of fuel duty, which means that it is 18p lower than it would have been if Labour's anti-motorist plans had been implemented.

That is what this Budget is all about. We are on the side of normal people who want to get their kids into work, keep more of their cash, and interact with the state in the right way. It is about a hand up, not a handout. The Budget sends a loud and clear message: we are the workers' party now.

4.3 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): I congratulate Members who have made their maiden speeches today. I will not list them all, as some of the Scottish constituencies in particular are quite lengthy, but they all spoke with great passion about the areas that they represent. I especially welcome my hon. Friend the Member for St Helens South and Whiston (Marie Rimmer), who has served in local government for a long time, and has been a great public servant. I am sure that she will repeat that role in the House.

I believe that, in the Budget, the Chancellor has put rhetoric above reality. He has talked about a northern powerhouse, but at the same time he has put key transport projects at risk. He has offered nothing positive to constituents such as mine, not least because he has been unable to establish whether my constituency is part of the northern powerhouse. As for the living wage, about which I shall say more shortly, it is nothing of the sort. Perhaps the clearest example of rhetoric over reality, however, was the Chancellor's statement that this was a Budget for one nation. This is not a one nation Budget; it is divisive. It is a Budget that says, "If you lose your job, if you are sick, if you have what the Chancellor deems to be too many children, if you get disabled, if you're young, if you're disadvantaged—you're on your own." This is not a one nation Budget; it is a two generational Budget.

It is clear that the Government have taken a cynical decision to attack young people, presumably on the basis that they are less likely to vote. If there is anything that will motivate young people to vote, I believe it is this Budget. Let us look first at the so-called living wage. I see no reason to limit it to people over the age of 25. Are people not adults at 24, 23 or 22? Is their contribution any less deserving at that age? I am worried that employers will, in effect, be incentivised to sack people when they reach the age of 25. What a fantastic 25th birthday present that will be.

Many others, including the Living Wage Foundation, have commented that next year we will not see an above-average increase in the living wage: we will see an increase in the minimum wage, and that is what we should go on calling it. It is not only a rate far lower than that proposed by the independent Living Wage Foundation and already paid by living wage employers, but when we consider the tax credit cuts, it represents a huge reduction in income for the many who will receive it.

What about those good employers who already pay the living wage rate of £7.85 an hour? What message does the Budget send out to them? Whatever the headlines proclaim, the details tell a very different story. A single parent in my constituency on the minimum wage stands

to lose around £1,500 a year under these proposals. A couple could lose around £2,000 a year. For both of them, it is about 10% of their annual income. I agree that subsidising low pay with tax credits is not the way ahead for this country, but for five years this Government and the Chancellor have made no attempt to tackle in-work poverty. The focus has been on the low-wage insecure economy that we still see today. They cannot take away tax credits without putting in place a proper system to replace them.

Rebranding the minimum wage is not a proper system to tackle low pay. This Budget is an attack on the family. Penalising the third-born and denying families access to tax credits is not a humane approach and will only increase child poverty. I have heard it said that the state should not support more than two children. Are the Government trying to prevent the third child from attending school or accessing the NHS or other public services? Of course not. That would be ridiculous, but the cost of a child's education far outweighs the cost to the taxpayer in tax credits. That exposes this proposal as a cheap, cynical and calculated attempt at division.

A further attack on young people is the replacement of student maintenance grants with loans. I recall Government Minister after Government Minister speaking out in favour of the £9,000-a-year tuition fee system on the basis that the least well off would be supported by grants. That did not last very long, did it? How many will now decide that what they will have to repay is so prohibitive that they cannot even contemplate higher education? Starting a working life with debts of over £50,000 is surely a daunting prospect for anyone, and we already know that the loan system is unsustainable because of the low levels of repayment. The new system will increase debt and decrease opportunity.

One of the big challenges that we face is in relation to housing benefit costs. I note that the Budget proposes a modest reduction in social housing rents, but it seems completely to ignore the spiralling cost of private rents, which make up the bulk of the increase in the housing benefit bill. One serious consequence of the measures in the Budget is that the reduction in income for housing associations and council housing revenue accounts will reduce further the amount of social housing that is built. It has been estimated that around 27,000 homes a year will be lost as a result of these measures. That will put more pressure on the private housing market, increasing the housing benefit bill further. What we need is meaningful action to reduce private sector rent levels, but we have heard nothing from the Government about that.

Another worrying measure is the removal of housing benefit from those under 21. It means that if people are young, work hard, move out of the family home and are then unlucky enough to lose their job, they will lose their home as well. What kind of message does that send out to children who want to get on?

The proposal that households with higher incomes should pay more rent will penalise young people in work. Those who are living with their parents but are saving up for a home of their own will be penalised. Already a constituent in this situation has told me that the money they were putting aside for a deposit will now be used to pay the increased rent that their parents will have to pay. How is that going to create more homes for everyone?

[Justin Madders]

As for the northern powerhouse, I could not get an answer yesterday, but I think we are getting closer to finding out where it is. I note that in the Red Book there is something called “Transport for the North” which will be established as a statutory body with statutory duties. That will help us to identify where the northern powerhouse is. I see that an interim partnership board already has representatives from Manchester, Liverpool, Sheffield, the north-east, Hull and Humberside, but there is no mention of Lancashire or Cheshire. About half the north-west does not appear to be in the northern powerhouse at all. There is nothing in the Budget for my constituency, and across the country there is nothing to tackle chronic insecurity in the workplace, or to encourage the transition from part-time to full-time work. There is nothing about job creation, improving public transport, or creating a sustainable and fair economy.

It can be no coincidence that the Budget projects personal borrowing to increase significantly over the next few years, because what we have is a conjuring trick of the Chancellor giving with one hand and taking back with both hands. He is taking more than he is giving, and people will discover that reality in the next few months once the headlines have faded. Members of the House will have to deal with the reality of a con trick.

Several hon. Members *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I am reluctant to introduce a formal time limit at this stage, but if all Members take six minutes then everyone will have the chance to speak. I hope that I will not have to require a time limit and that Members will behave courteously towards other Members.

4.11 pm

**Dawn Butler (Brent Central) (Lab):** I congratulate all those who have made their wonderful maiden speeches today. I received a tweet from a constituent that said: “I’m seriously scratching my head to that bit.” Members might ask, “What bit?”, because we were scratching our heads to quite a few bits of the Chancellor’s Budget speech. My constituent was referring to the bit about the minimum wage, or the “living wage” as the Chancellor likes to call it. I fully support the increase to £7.20 an hour, rising to £9 by 2020, but that is an increase in the minimum wage; it is not a living wage, however many times Government Members like to say it is. As I have said previously, “You can fool some of the people some of the time, but you can’t fool all the people all the time”, yet I fear that is what they are trying to do.

The Living Wage Foundation currently considers that to achieve a minimal acceptable standard of living someone must be paid £7.85 outside London, and £9.15 in inner London. That is the living wage. If the Chancellor needs some help, perhaps he could congratulate Brent council on its work in championing the £9.15 living wage, and on incentivising employers to pay it. The Opposition need to humanise the Government’s policies as they seem not to know many of the people whom their policies adversely affect. The living wage calculation is also based on tax credits that have helped to boost low wages, but if those are removed, the living wage would be £11.65 an hour—that is how much someone would need to be paid if tax credits are removed.

I want to support working people—we all do, and, I might add, more seriously on the Labour Benches. The Chancellor seems to feel that working people live a lavish lifestyle that he wants to curb. Before the election, Jenny Jones asked the Prime Minister to put to bed rumours that he planned to cut child tax credit and restrict child benefit. David Cameron replied: “Well thank you, Jenny. I don’t want to do that.” What has changed?

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I must interrupt the hon. Lady because although she is new to the House at the moment, she is not really new. The Prime Minister is referred to in this Chamber as the Prime Minister.

**Dawn Butler:** Apologies, Madam Deputy Speaker. I think that at the time he was not the Prime Minister, but I apologise.

Brent has the above average number of 5,609 lone parents, which is 11% of all households. Some 64% of families in Brent Central are receiving tax credits. It is okay to have universal credit—I agree with that; I used to work in the employment service—but the Institute for Fiscal Studies has stated that 13 million families will be affected by the benefit cap, and that 3.4 million working families will lose £1,000 a year. There will be an increase in absolute child poverty.

Why is that happening? In Brent, we have large Muslim and Irish communities. Many families have more than three children per household. I would like to challenge the Chancellor to do a husband swap with some of my constituents. I am sure they would be able to give him advice on managing budgets and debt. Given that family breakdown costs the country an estimated £49 billion a year, this is a false economy. The OBR has forecast that household debt will rise even above the record levels seen prior to the crash in 2007-08. What does that mean for the future of our country? The root cause of welfare spending is low pay and high housing costs, so in one fell swoop the Chancellor could build more affordable and social housing, and more people would be in work and paying taxes. We should just stop playing politics and make it happen.

Millions of households are forecast to plunge into debt. We will see another increase in homelessness and children living in absolute and relative poverty. That is not scaremongering—this afternoon the IFS has said just that. Is this really the legacy that the Chancellor wants as he launches his bid to become the Prime Minister? He has lost weight, he has got longer trousers and he has styled his hair differently. All he needs now are some workable policies for working people. The Chancellor always mentions fixing the roof while the sun is shining, but he always forgets to mention the Thatcher legacy of £19 billion worth of household repairs that Labour had to make. Now, with these supposed fixes, the first Tory Budget in almost 20 years is taking the roof from over the heads of my constituents. He should be a little bit embarrassed about that.

The Chancellor spoke about apprenticeships. The reality is that the majority of apprenticeships in the previous Parliament were rebranded jobs. People were already working for companies and their jobs were rebranded as apprentices. We have actually seen a reduction in apprenticeships of almost a quarter, from 82.3% under the Labour Government to 63.2% under this Government.



As I said, I used to work in the employment service. I welcome the simplifying of the benefit system, but I am afraid the Chancellor needs to seek some advice from the Social Security Advisory Committee and examine any variations in his policy. Do not say that young people in university have a future and then burden them with about £53,000 of debt when they finish. It was estimated that 923,000 young people would take up maintenance grants in 2014-15. Do not tell me that that will not have an effect on my constituents and young people in Brent Central when they are choosing whether to go on to further and higher education.

This is a reminder of who the Budget is really for: the haves, not the have-nots. I see nothing in the Budget that aims to address the scandal of a 50% increase in long-term youth unemployment among black, Asian and minority ethnic—

**Madam Deputy Speaker:** Order.

**Dawn Butler:** Sorry, Madam Deputy Speaker.

**Madam Deputy Speaker:** I was hoping the hon. Lady would voluntarily bring her remarks to a close.

4.18 pm

**Tom Elliott** (Fermanagh and South Tyrone) (UUP): It is a privilege to be able to speak in the Budget debate. It would be remiss of me not to accept that a number of good points have been made today and I do not want to demean them. One point clearly relates to the Ulster Unionist party policy on the living wage, which the Conservatives have adopted. That will be extremely helpful, but I have concerns about how it will be implemented. There needs to be support for employers and businesses along the way, particularly small and medium-sized businesses. It may have the effect of SMEs employing fewer people to meet that living wage so I hope the Government have a plan in place to bring forward definitive proposals to help those small and medium-sized businesses.

Secondly, I am extremely positive about the reduction in corporation tax. I come from Northern Ireland, to which the Government have helpfully promised to devolve corporation tax. The reduction here will make our 12.5% much more realistic and help make us competitive with our neighbours in the Irish Republic. We have a land border with another EU state, so I welcome the reduction set out in the Budget, which will make it much easier for us to implement our reduction. Thirdly, I also welcome the 2% year-on-year increase in the defence budget, which is helpful and will leave the UK right at the centre of world defence.

A lot of today's debate has been taken up with tax credits. I note that 164,100 families in Northern Ireland are in receipt of tax credits and that almost 70% of them are working families. In recent months, one of the huge difficulties in our constituencies has concerned the HMRC helplines available to people making inquiries about their tax credits, and that is only going to get worse after the reduction. I therefore appeal to the Government to invest more resources to help constituents who are worried they might lose some or all of their tax credits. It is a worrying time for them. It is difficult even for us, their elected representatives, to get answers. HMRC needs to do a major job of work to provide that assistance and support mechanism. I feel that there is

going to be a huge reduction in the tax credit element, which will create particular issues in areas such as Northern Ireland, where we have a lower wage base. These families, many of whom are working, cannot afford to spend up to 60 minutes on the phone waiting for answers to their tax credit queries, but that is what is happening.

I am also concerned about the effect on the Barnett formula and the Northern Ireland Executive budget. The Government will know of the difficulties around the welfare reform proposals in Northern Ireland. I noted in yesterday's statement the reference to the Stormont House talks. I want to make it clear that there was no agreement around those talks, as we have now realised, because some parties are now renegeing on the proposals. We want to ensure that the £90 million agreed for welfare reform, to be taken from other budgets, can be implemented, because it is important for those suffering in our communities, such as the most deprived and the severely disabled. It is important they have the help and support they require, so I am looking to hear from the Government how we can ensure that the people most in need can be assisted.

The Budget is a curate's egg: there are some good parts, but there are also some difficult issues to deal with, particularly around tax credits.

4.23 pm

**Anna Turley** (Redcar) (Lab/Co-op): I have heard a lot of self-congratulation and hubris and I have even seen some fist-pumping from those on the Government Benches about the long-term economic plan, of which this Budget is part, but the people of Redcar and Teesside have seen what the last five years of the Tory's economic plan have meant for them and will be forgiven some scepticism about what they heard yesterday.

In Redcar in the last five years, we have seen six food banks a week, where formerly there were none; we have seen nearly 2,000 people hit by the bedroom tax and forced from their family homes; we have seen people sanctioned for accidentally filling in a form wrong or for missing an appointment because a child has had to go to hospital; we have seen pay freezes and redundancies and half of all women on less than a living wage, many of whom will be reliant on tax credits. Nationally, we have seen 500,000 more children in absolute poverty since 2010; the biggest fall in wages since 1874; rampant job insecurity; escalating private debt; a ballooning trade deficit; a shocking productivity record; and stagnating business investment.

In fact, if the Chancellor had any decency or integrity, he would have left himself a note in May saying, "I'm afraid there is still no money", because the past five years have seen a greater increase in debt than under 13 years of Labour, a total failure to eradicate the deficit as promised, the loss of our triple A rating, mass under-employment, terms and conditions being undercut, a huge increase in bogus self-employment and rampant low pay.

What about this Budget and how it should deal with those issues? As many of my colleagues have said, it is a Budget of smoke and mirrors. Its living wage is not actually a living wage: it is 65p per hour less than the living wage should be. Some 4,000 people in my constituency of Redcar will be worse off because of the impact on tax credits, and the one nation narrative is divisive.

[Anna Turley]

The Budget turns nation against nation, public sector workers against private sector workers, north against south, the inherited haves against the have-nots, the young against the old, and taxpayers against fellow citizens.

As for the northern powerhouse, it is nothing more than a slogan. The north-east was not even mentioned in the Budget speech. One in three children in the north-east is still in poverty. Our unemployment rate is still the highest in the country, and the trend in our region is going up, not down. We lost 60,000 public sector jobs and they were not magically replaced, as predicted, by private sector jobs. Those left now have the indignity of a pay rise of less than 1% for the next five years.

The plug has been pulled on infrastructure, and that includes the cancellation of the electrification of the railways. Spending on transport in the north-east is £5 per head compared with £2,600 per head in London. Local authority budgets have been cut by a third, despite higher levels of deprivation in our area. All we have got from this Chancellor is the change of name from the A1 to the M1, without any accompanying infrastructure investment.

In summary, I congratulate the Government on finally acknowledging that the past five years have been a disaster for wage levels, but their solutions provide nothing but smoke and mirrors and will leave my hard-working constituents, who are doing their best to feed their families and get through the month, worse off than ever.

4.26 pm

**Cat Smith** (Lancaster and Fleetwood) (Lab): I shall keep my remarks brief, to allow time for other speakers.

I fully agree with what my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) said about the northern powerhouse.

The so-called living wage is a complete sham. Even the national minimum wage is not enforced in this country, with the TUC estimating that 350,000 workers are already paid below it, so what guarantees do we have that a living wage would be enforced?

I want to focus most of my attention on the changes to tax credits to limit them to two children. It is wrong to punish children by putting them into poverty for being born into families with one or more siblings. I would also like to stress that there are 3,000 children in this country waiting to be adopted. Since baby P, there has been a huge increase in the need for fostering and adoption places. Many of those placements are found in kinship care and often in families who already have children. If the Government insist on going ahead with capping tax credits at two children, will they provide some flexibility and exempt those who choose to adopt or foster one of the 3,000 children who are desperately seeking a home in this country?

This Budget is an attack on the younger generation. Cutting housing benefit for under-21s will particularly affect lesbian, gay, bisexual, and transgender youth, who are more likely to find themselves homeless. Student grants are now gone and have been turned into loans, thereby passing more debt on to some of the poorest students as they graduate and begin life. The fact that the so-called living wage does not apply until age 25 just goes to show that there is little understanding of the

fact that someone aged 25 or under still needs a roof over their head and still needs to buy food. All that costs the same as it does for a consumer or renter over the age of 25.

Frankly, this Budget does not work for young people, the north or families. Worst of all, I left the Chamber after the Budget speech thinking that, although I personally will be better off, family members of mine who work in minimum wage jobs and who try to balance the demands of having young families are worse off, and that is wrong.

4.29 pm

**Daniel Zeichner** (Cambridge) (Lab): I shall tackle three areas and be brief. First, student finance has clearly been a controversial issue for a number of Parliaments. The tripling of tuition fees in the last Parliament was obviously highly controversial, and we now know that it was also an unsustainable system, with almost half of current students unable to repay their loans and the Government building up a huge amount of debt.

What is curious is that by abolishing the maintenance grant, the Government seem to be repeating the mistake. The Chancellor boasted yesterday that students from poorer backgrounds had not been put off going to university, but as hon. Members have pointed out, that was partly because these maintenance grants existed. Taking them away is likely to make that less the case. We should not underestimate the numbers involved. I was surprised to find that at Anglia Ruskin University in my own city, 5,697 students were in receipt of maintenance grants, while at the University of Cambridge, there were 2,720. Almost 8,500 young people in my constituency will, I suggest, all be angry when they learn about this.

The problem is not solved either, because more debt is created for the next generation, and the Government's cunning plan to solve all this is to sell off the student loan book and raise huge amounts of money from it. We know that is controversial, too. Warning bells should be ringing if people read the small print on page 59 of the Red Book, where the Government say they will "review the discount rate". What that basically means is that students will pick up the tab. They will notice this—and they will be loud.

My second point is about the proposal to limit public sector pay rises to 1% for the next four years. I do not think anyone knows what the economic situation is going to be in four years' time. Frankly, it is hard to predict for four weeks when it comes to interest rates, oil prices and all the rest. One thing I do know is that rents in a city like Cambridge are shooting up and up. What that means is that for public sector organisations such as our national health service, recruitment—already difficult—will become near impossible in the future. Some of the high-flying research scientists in Cambridge are, in fact, public servants, and they had been waiting to see a sign that things were going to improve. I fear that what the Chancellor has done is in effect to write their exit visa to other countries. Our brightest and best—the people we need if we are to be competitive in the future—are being told that they can expect 1% over the next four years. That is not sustainable.

Finally, let me deal with housing, which is the key issue in Cambridge. There was nothing in the Budget to deal with the things that really matter in a city like Cambridge—nothing on more affordable housing, nothing on the huge trend of people from foreign countries

buying up housing off-plan before it is even built, and nothing on the dreadful insecurity faced by tenants in the private rented sector, who are a different group of people these days. Conservative Members stole quite a few things from Labour's manifesto, but they could do with stealing some of our proposals on the private rented sector, which would really help. As for the extension of the right-to-buy process, I have to say that almost half of all council homes sold in Cambridge under right to buy since 1980 are now back in the private rented sector, building up the housing benefit bill, which has increased by 51% since 2010.

Let me conclude by making one or two general points about the assault on council housing, including the threat to lifetime security of tenancy. Many people have told me about the difference it made to them when they actually got a council home that really was a secure home for them. People cannot be treated as if they are simply pawns in a game that can be moved from place to place. We are talking about people's homes; if they are not secure, it makes things very different for them.

Conservative Members have no understanding of what council housing was intended to be. It used to be a public service, not a safety net. We need to remember that tenants pay rent, and some of these houses have been paid for time after time. Extraordinarily, if there is any cross-subsidy going on, all too often, thanks to the vagaries of housing finance, it is happening the other way round, so council tenants are subsidising the wider community. Who can forget the dreadful "daylight robbery" situation under the last Conservative Government when council tenants were in effect subsidising all those on housing benefit.

The housing situation is deeply complicated. I finish by saying that the great goal of British housing policy was mixed communities. Nye Bevan famously said that he wanted a situation in which

"the doctor, the grocer, the butcher, the farm-labourer all live in the same street".

We can update that image. We know that mixed communities work best, but they are hard to achieve, and this "pay to stay" is exactly the wrong thing to be doing. We need people to stay in their communities, not to be driven out. What a ridiculous situation it is when people who have done well are faced with a false choice, as my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) suggested. An income of £30,000 in a city like Cambridge is not extraordinary. My friend Councillor Kevin Price, the executive member for housing in Cambridge, tells me that people will face a 45% rise in rent if this proposal goes through. For a lot of those people, the sensible thing to do would then be to work fewer hours or for one person in the household not to go to work at all, which is the exact opposite of what the Government are claiming to want.

There is a real danger that we could lose our mixed communities and create no-go areas and dumping grounds of despair, fomenting future discontent. That is not about building one nation; it is about a divided nation, at a time when we should be bringing people together. I genuinely urge Conservative Members to think hard about these dangers and to step back from these proposals. These might just be a few lines at the bottom of a page in the Red Book, but they could do serious damage to our communities, and I urge Conservative Members to dissociate themselves from them.

4.35 pm

**Stephen Timms** (East Ham) (Lab): Let me begin, as others have, by congratulating all those who have made their maiden speech during the debate: my hon. Friends the Members for St Helens South and Whiston (Marie Rimmer) and for Bradford South (Judith Cummins) and the hon. Members for Berwickshire, Roxburgh and Selkirk (Calum Kerr), for Caithness, Sutherland and Easter Ross (Dr Monaghan) and for North Warwickshire (Craig Tracey). The House enjoyed hearing from each of them today and we look forward to hearing from them again in the years to come.

Yesterday's Budget contained a number of ideas that we support, not least because we campaigned for them at the election. For example, we argued that the pathway to a surplus that the Chancellor committed to in March would in fact lead to spending cuts so extreme that they would not be credible. We discovered yesterday that the Chancellor had caved in and accepted our argument. He has deferred the planned surplus for a further year, and I have to say that that was a sensible U-turn. He might have told us that that was what it was, but he did not. As a result of his U-turn, the scale of the cuts, though still substantial, will no longer be as extreme as he suggested in March.

We said that it was unreasonable to try to take £12 billion out of the social security budget in two years. The Chancellor has done a U-turn on that as well. He now plans to do it over four years. We also campaigned for Britain to have a pay rise, stating that an increase in the national minimum wage was key to reducing the cost of welfare. The Chancellor has accepted that argument. On the basis that imitation is the sincerest form of flattery, we welcome his change of heart on that as well.

It is a great disappointment, however, that productivity growth is so low. My hon. Friend the Member for Luton North (Kelvin Hopkins) was right to draw the House's attention to what the Office for Budget Responsibility had to say about that. It has stated that productivity growth has fallen short of expectations once again. It is a relief that this Budget speech at least mentioned productivity—there was no such mention in March—although it was accompanied by a very thin package. My right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown) and my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) pointed out that the cancellation of the electrification of the TransPennine line was a glaring failure if we are to bring about the infrastructure investment necessary to improve productivity across the country. It is a big disappointment that so little is being done.

It is a tragedy that the Chancellor is accompanying his welcome U-turns with such a swingeing attack on the incomes of working families. The analysis published today by the Institute for Fiscal Studies highlights the fact that the proposed tax credit cuts focus on working families. It is working families that are going to be hit. They have been badly let down by a party that had promised to be a party for working people. That promise seems to have been torn to shreds in everything other than the rhetoric. Vital support has been ripped away at a time when so many of those working families are already struggling to make ends meet.

In 2010, the Chancellor promised that "we will bring down the benefits bill".



[Stephen Timms]

At the beginning of this year, the Institute for Fiscal Studies said:

“Real terms benefit spending...is forecast to be almost exactly the same in 2015–16 as it was in 2010–11.”

The benefits bill has not been brought down. The reason is that, in the previous Parliament, the Government failed to tackle low wages and rising private rents, which are the real drivers of welfare spending. As a result we saw 400,000 more people who are in work forced to rely on housing benefit to pay the rent, and 1.5 million more people paid less than a living wage at the end of the Parliament than was the case at the beginning. That led to a £25 billion overspend on welfare by the Secretary of State's Department. With this Budget, working families are being told to pay for that failure—so much for being on the side of working people.

The Chancellor is cutting tax credits immediately, but taking five years to increase pay. As my hon. Friends have pointed out, the tax credits cuts hit immediately, full scale, from the beginning of the next financial year. The pay rises intended to compensate for them, which in fact do not compensate for them, are being phased in over five years. Working families are losing out in a very big way. This is not about making work pay, but about making working families pay, which is wrong.

Today, the IFS said:

“Unequivocally, tax credit recipients in work will be made worse off”.

That is the reality of what was announced in the Budget yesterday. The Chancellor's decision to cut tax credits leaves 3 million families worse off. Working families who are doing the right thing are finding that the rug has been pulled out from under them. A couple with one person working full-time on average earnings will lose more than £2,000 in tax credits next year. A single parent trying to provide for her two children, working 16 hours a week, will lose £860 in tax credits next year. Those losses are nowhere made up for by the modest pay rise that that person is likely to receive.

I cannot help wondering what happened to the families test. The Prime Minister promised that

“every single domestic policy that government comes up with will be examined for its impact on the family.”

Well, here are working families being hammered. The measures clearly fail the families test, but they are being announced nevertheless. That is another broken promise from this Government when so many families are losing out.

The IFS says that the striking consequence of yesterday's cuts is that the work incentive effects of universal credit—if we ever see universal credit; only 1% of benefit claimants have been switched on to it so far, and at that rate it will take 150 years or so to roll out fully—are being substantially reduced.

I have made it clear that we welcome the increase in the national minimum wage—indeed, we campaigned for it. However, as my hon. Friends have pointed out, just because the Chancellor calls it a living wage does not make it a living wage. My hon. Friends the Members for Birmingham, Erdington (Jack Dromey) and for Ellesmere Port and Neston (Justin Madders) emphasised that point in particular. The Living Wage Foundation, the custodian of the living wage, made the position clear last night. It said that

“this is effectively a higher National Minimum Wage and not a Living Wage.”

That is the reality. Simply calling it a living wage does not make it one. The Chancellor is trying to sell us a dud.

That was not the only dud in the Budget speech. I cannot resist the temptation of quoting what the *Financial Times* said about the Budget speech yesterday: “When you heard” the Chancellor

“say six times in his Budget speech that he had moved British towards a ‘lower tax society’, he made a small but important mistake. He really meant ‘higher tax’.”

Of course that is right. The living wage is based on the full take-up of benefits such as tax credits and housing benefit. With the cuts to tax credits, the current figure for the living wage will no longer be enough and will certainly have to be revised upwards. We are in favour of tax cuts for those on middle incomes and we support the increases in the personal allowance and the higher rate threshold, but cuts to tax credit mean yet again that the Chancellor is giving with one hand and taking away with the other.

What a missed opportunity the Budget was to promote a proper living wage by introducing Labour's plan for tax breaks for firms that pay a proper living wage! My hon. Friend the Member for Brent Central (Dawn Butler) drew attention to the excellent initiative that Brent Council has introduced along those lines. It is clearly succeeding, and our make-work-pay contracts could have started to boost wages straight away.

My hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) was right to point out that, once again, young people have been badly hit by the Budget, but where there are good reforms, we will support them. We support the Government's plan for a youth obligation, which is strikingly similar to our manifesto pledge and the Institute for Public Policy Research proposal that underpins it. The principle of earn or learn is right. Of course, it is absolutely vital that the right exemptions to the withdrawal of housing support should be in place. My hon. Friend the Member for Sheffield South East (Mr Betts) underlined that absolutely rightly. Can the Minister confirm in winding up that young people leaving care, those who are at risk of abuse or homelessness and those who are the parents of young children will still be eligible for housing support under these proposals?

We will not support cuts for disabled people. We were told in the election campaign that the £12 billion package would protect the vulnerable and the disabled, but cutting employment support allowance will hit those who are assessed as not fit for work, which is the reason why they are not on jobseeker's allowance. That includes people with cancer and people with Parkinson's disease. Ministers said that they would protect sick people in these changes; instead, they are cutting their support, and that will hit some very vulnerable people very hard. It will also drive even more claimants into the ESA support group at even higher cost. In 2010, Ministers said that they would cut the cost of ESA. In fact, given their failure to manage assessments and the failure of the Work programme for ESA claimants, costs have rocketed. ESA will cost £4.5 billion more this year than they said it would in 2011, but that is no justification for punishing the sick.

There is nothing in the Budget to boost the number of homes being built. The cost of renting and buying is soaring out of reach, particularly in London and south-east.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) drew attention to that. Yet again, rather than tackling the housing shortage and bringing rents down, the Government have chosen to cut housing support.

We welcome the Chancellor's U-turns from his election campaign, but this is not the Budget that working people need. It leaves working people worse off. Working people needed a Budget that supported them and their families, not one that cut the support that so many people rely on. We support reform that protects those who cannot work and that makes work pay. We will not support cuts that make working families pay.

**Madam Deputy Speaker (Mrs Eleanor Laing):** Before I call the Minister, the House should note that several Members who have taken part in the debate were not here for the beginning of the speech of the right hon. Member for East Ham (Stephen Timms). That is discourteous. Some Members who have taken part in the debate are still not here. That is extremely discourteous and has been noted.

4.49 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** This has been a lively debate on a summer Budget that puts the country's security first—economic security, national security and financial security for the record numbers of people in this country who are now working, including the 2 million who have joined the workforce since 2010. It is a Budget that continues to carry Britain toward a secure, prosperous future by backing the aspirations of working people at every stage of their lives.

For too long, we have been a low-wage, high-tax, high-welfare society—one that took money away from the poorest in taxes, then gave it back to them in the form of tax credits and welfare. In this Budget, we are changing that around. We are setting out to build a high-wage, low-tax, low-welfare economy: an economy in which work always pays and working more always pays more; an economy in which working households are supported through higher wages and lower taxes, not subsidised through a tax credits system that even Labour Members have described as simply not sustainable; an economy that gives 2.5 million people—those on the lowest pay today—a 10% direct pay rise and establishes a living wage that could, at this Parliament's end, exceed £9 an hour.

**Mr Betts:** How does the hon. Lady deal with the comments from the IFS? Does she dismiss them, or is she saying that the IFS is absolutely wrong to say that, as a result of a small increase in their wages but a bigger cut in their tax credits, 3 million people will be £5,000 a year worse off? Does she disagree with that figure or, if she accepts it, how does she justify it?

**Harriett Baldwin:** The IFS figures do not include, for example, the full impact of the increased offer of free childcare. According to the Treasury figures, eight out of 10 working households will be better off as a result of the changes, acting in combination, by 2017.

As a country, we have 1% of the world's population, we produce 4% of global GDP, and we are responsible for 7% of the world's welfare payments. That is not

right, it is not sustainable and it needs to be reformed. In introducing the reforms, we have set out four principles. The first is protecting the most vulnerable—that is fundamental. It is why we will honour our commitments to uprate the state pension according to the triple lock; we will neither means-test nor tax disability benefits—in fact, all disability benefits are exempt from the four-year freeze of working-age benefits—and we will increase funding for domestic abuse victims and for women's refuge centres.

The second principle is to expect those who can work to look for work and to take work when it is offered, because work is the best route out of poverty. The third principle is to place the entire welfare system on an affordable and sustainable footing, fulfilling our commitment to run a budget surplus, because that is the best route to long-term economic security.

**Edward Argar (Charnwood) (Con):** Given the shadow Chancellor's and Opposition Front Benchers' unwillingness throughout the day to comment on Alistair Darling's remarks, perhaps my hon. Friend will say whether she agrees with the former Labour Chancellor's reported comments that the Labour party

"is in disarray"

and is

"paying the price of not having a credible economic policy."

Does she agree with me that, judging by their performance yesterday and today, the search parties for that policy are still out and meeting with very little success?

**Harriett Baldwin:** My hon. Friend makes an extremely good point. Even when we announce elements of policies they were campaigning on only weeks ago, Labour Members seem to be unable to bring themselves to welcome the measures.

The Budget is not just about making changes to welfare; it is about ensuring that those who are in work do not face more difficult choices than those on benefits. Full-time benefits should never pay more than full-time work. Those are the principles underlying the welfare reforms. Over the next two years, eight out of 10 working households will have benefited from the measures announced in this Budget, such as our introduction of the national living wage. By 2020, a full-time worker on the national living wage should be earning over £5,200 more in cash terms. The tough decisions we are taking now will lead us into a more prosperous and more secure future.

We enjoyed five maiden speeches. My hon. Friend the Member for North Warwickshire (Craig Tracey) has a remarkable distinction that may be in the record books. He succeeded a colleague with a majority of 54 and took the majority up to nearly 3,000, which is a remarkable achievement.

I enjoyed the maiden speeches of the hon. Members for Bradford South (Judith Cummins) and for St Helens South and Whiston (Marie Rimmer). I understand that there is already a bit of a rivalry between them—they support different rugby league teams—which will be followed closely during their time representing those areas in Parliament.

We heard from Members from two beautiful areas of Scotland. The hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) spoke eloquently about the

[*Harriett Baldwin*]

Scottish border country, which we all know is exceptionally beautiful. He speaks for his party on agriculture and rural issues. He succeeded the former Secretary of State for Scotland, the Liberal Democrat Michael Moore, and spoke eloquently about his lasting contribution in the form of the 0.7% commitment that he achieved through his private Member's Bill. That was no mean feat, as I discovered early on in this place. The hon. Gentleman also received something you may have frowned on, Madam Deputy Speaker—a round of applause for his excellent delivery. I will say no more on that because he might get into trouble.

We also heard from the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan). I have yet to visit his part of Scotland, but it sounds absolutely wonderful. After he had taught us about the history of the highland clearances, I was sorry that he could not welcome with greater fervour the significant increase in wages for people working in his constituency, which currently enjoys the lowest unemployment in its history.

A range of other issues were raised, and I will briefly go through some of the questions asked. Several Members made the point that the national living wage was different from the living wage calculated by other organisations. I can clarify that the methodology that has been followed is based on the work of Sir George Bain, who wrote the paper, "More than a Minimum", for the Resolution Foundation. Labour Members carped on endlessly about the methodology, but none of them welcomed the fact that this represents a 10% pay rise for the lowest-paid 2.5 million working people in the UK.

Several Members raised student finance, and representatives of university towns paid particularly close attention to such points. The former Labour Chief Whip, the right hon. Member for Newcastle upon Tyne East (Mr Brown), probably remembers that a Labour Government abolished maintenance grants completely back in 1998. He probably had to do some deals in 2004, when maintenance grants made their reappearance. He is chuckling in his place about his memories of that time, so I am sure he had to make many arguments

about how wise the policy was when his Government implemented it. I want to emphasise that students from low-income households will not have to pay up front. Over the course of their lifetime, people who go to university will earn more—women who go to university will earn £250,000 more over their lifetime—and the cash they receive through their student loan will be more generous than it was before.

The hon. Member for Fermanagh and South Tyrone (Tom Elliott) and other Members asked about support for businesses. I can confirm that we will increase by 50% the amount that businesses can receive through the employment allowance. That will enable the small businesses that are the backbone of our economy to take on four people paid the national living wage. Effectively, it will be kept at the same level: employers will pay no national insurance for four people working full time on the national living wage. Employers will also benefit from my right hon. Friend the Chancellor's announcement of a reduction in the corporation tax rate to 18% over this Parliament.

Several questions were asked about housing. I can reassure Opposition Members that there will be consultations on the housing changes, and a lot of exemptions in vulnerable cases.

In the brief time available, I conclude by saying that this is a Budget for the working people of Britain. It is a Budget that supports Britain's working households not through state subsidies, but through lower taxes and higher wages.

*Ordered*, That the debate be now adjourned.—(*Jackie Doyle-Price.*)

*Debate to be resumed on Monday 13 July.*

## **Business without Debate**

### **WELSH GRAND COMMITTEE**

*Ordered*,

That the Order of the House of 1 July, that the matter of the Legislative Programme as outlined in the Queen's Speech and the Budget Statement as it relates to Wales be referred to the Welsh Grand Committee, be discharged.—(*Jackie Doyle-Price.*)



## House of Commons Commission

5 pm

**The Leader of the House of Commons (Chris Grayling):** I beg to move,

That Sir Paul Beresford, Tom Brake, Mr Nicholas Brown and Stewart Hosie be appointed as members of the House of Commons Commission under the House of Commons (Administration) Act 1978.

I wish to express my thanks to all those who served on the Commission in the last Parliament and those who will do so in this one.

*Question put and agreed to.*

## Transatlantic Trade and Investment Partnership

*Motion made, and Question proposed,* That this House do now adjourn.—(*Jackie Doyle-Price.*)

5.1 pm

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): I am grateful for the opportunity to discuss this important issue here today. While the public debate around the Transatlantic Trade and Investment Partnership, or TTIP, seemed to quieten down after the white hot heat of the general election, the issue is once again in the spotlight following the debate on the Lange report in the European Parliament this week. It is right that, at this important moment in the development of this agreement, the House considers the deal and its possible implications for our public services, especially in light of yesterday's vote—although it is an indicative vote, and therefore non-binding.

After two years of negotiations, TTIP remains a highly controversial issue across Europe. To date, almost 2.5 million people have signed a Europe-wide petition in opposition to the proposals. It is clear from that, and from the high degree of public participation in consultations on the issues, that many people remain highly sceptical about the detail of those complex negotiations. That mobilisation of public opinion is a credit to the tireless campaigning work carried out by organisations such as War on Want and other campaigns, including that of 38 Degrees, which plays a valuable role in helping to inform the debate on a range of issues and in affording people the opportunity to make their voice heard.

Before I move to the areas of most concern to my constituents and me, I should state that some parts of the current proposals, despite their faults, have widespread support. I agree with the fundamental principle that has underpinned the negotiations. Europe and the US should work together to increase trade across the Atlantic. Trade is good for jobs. Scotland alone enjoyed £3.9 billion of exports to the US in 2013, making the US our single biggest market outside the EU. The US remains the largest inward investor in Scotland, with investment supporting some 100,000 jobs. I support measures that would grow the market for Scottish products in the US, and back any plans that will attract new investment to Scotland to support our growing economy. Our export potential is huge, and we must do all we can to support Scottish firms in maximising that.

It is in that context that I support a reduction in tariffs that would allow Scottish firms to compete on a level playing field with US manufacturers, because that would be good news for Scottish jobs. Despite these potential benefits, however, several key aspects of the proposals serve to undermine the whole process as things stand. The lack of transparency around the negotiations has prevented proper scrutiny and diminished public confidence.

**Patrick Grady** (Glasgow North) (SNP): Does the lack of transparency in the negotiations not stand in stark contrast to my hon. Friend's earlier point about the huge democratic engagement by the public on this issue and the huge concern expressed, including by several hundred of my constituents, before and since the election?

**Ms Ahmed-Sheikh:** I am sure my hon. Friend speaks on behalf of many of our hon. Friends' constituents who have written to us with similar concerns.

It is unacceptable that Members of the House and the European Parliament have been prevented from properly examining the documents in the process. At one stage, Members of the European Parliament were only allowed to see the documents relating to the treaty in a secret room and could not even remove them. It is self-defeating to act in the public good but prevent the public from properly examining the work that is being carried out on their behalf.

It is also of great concern to many that, in order to standardise the rules governing markets in the US and the EU, TTIP will lead to the lowest common standard of regulations. The European Union in particular has been a force for good in the creation of world-leading safety standards, which protect the best interests of workers and consumers. It is one of the many benefits of retaining membership of the European Union. We should celebrate those successes, not seek to undermine them.

However, my main point is that the Transatlantic Trade and Investment Partnership has the potential to undermine public services in my constituency and across Scotland and the UK. We need to take decisive action now to prevent this outcome. The Scottish Government have already made a number of representations to the UK Government and the European Commission about the possible implications of TTIP for Scottish public services, in particular the Scottish NHS and Scottish Water. I welcome the tone of the responses to date, which have contained encouraging words about how TTIP does not pose any threat to the NHS. In particular, I welcome the statement by the European Commission Director General for Trade that

"the net effect of the EU's approach is that nothing in TTIP will lead to privatisation of the NHS".

However, the fact remains that both the Scottish public and the Scottish Government must be able to see the final legal text of any agreement to be fully assured on this vital issue.

**Peter Grant** (Glenrothes) (SNP): I have been contacted by a number of people who work in the NHS and a number whose lives depend on a successful NHS. Their concern is that TTIP may be the first step along a road towards the kind of health service that we see in parts of north America, where the first thing they do with a casualty coming into hospital is check their credit rating before checking for a pulse. I hear what my hon. Friend is saying about the assurances we have had from the European Commission. Does she believe that the people of Scotland have had sufficient reassurances to take the Commission's words at face value?

**Ms Ahmed-Sheikh:** I do not think we have had sufficient reassurances, but the people of Scotland can be absolutely assured that every one of my hon. Friends will be here to ensure that we continue to represent their best interests and protect the public services that are dear to our heart and, indeed, to the people of Scotland, whom we represent.

The lack of transparency on the detail continues to undermine the public statements made by Ministers and European officials. I am disappointed that yesterday the European Parliament failed to take the opportunity to amend the Lange report to explicitly protect public services such as the NHS and water.

**Rachael Maskell** (York Central) (Lab/Co-op): Does the hon. Lady agree that we would be better served by putting areas of trade on the positive list, rather than the negative list, so that we could include the areas of trade that we wanted in the trade agreement, as opposed to including all services, with only those named being removed?

**Ms Ahmed-Sheikh:** I agree with the hon. Lady.

What is demanded, and what we require, is a clear and unambiguous exemption from the deal that guarantees that democratically elected Governments in Scotland and beyond cannot be forced to privatise services and that any attempts to roll back previous privatisation will not be open to challenge under the new rules. These conditions must be explicit.

We come now to one of the areas of greatest concern: the process known as investor-state dispute settlement, or ISDS. Including this type of measure in the agreement potentially undermines the right of European Governments to regulate effectively on a range of issues. As the Minister will be aware, the most relevant example of that is the recent action by the Uruguayan Government to legislate to increase the size of the health warnings on cigarette packs, in an attempt to reduce the number of people smoking and improve public health.

In response, the multinational tobacco giant, Philip Morris, used a similar process to sue the Uruguayan Government. The concern of many of us, including the Scottish Government and our trade unions, is that similar measures could be used by private organisations here to limit our democratically elected Government's powers in a range of important areas. My right hon. Friend the Member for Gordon (Alex Salmond) has considerable experience in this area, Madam Deputy Speaker, and I understand that if he catches your eye he hopes to raise it before the Minister replies.

**Chris Stephens** (Glasgow South West) (SNP): Will my hon. Friend confirm that Unison Scotland has concerns about TTIP being a threat to the new public procurement legislation that has just been passed through the Scottish Parliament, whereby Scottish public bodies can take local environmental and social wellbeing concerns into account in contracts?

**Ms Ahmed-Sheikh:** I absolutely agree with my hon. Friend's position in relation to Unison. I am about to come to Unite in a similar respect.

In February this year, SNP Members of the Scottish Parliament, led by our First Minister, signed up to a pledge proposed by Unite, which stated, amongst other clauses, that

"TTIP must not give current or future US investors new rights that they could use to sue any level of government, public authority or NHS organisation because of their policies or actions relating to public healthcare."

My colleagues and I absolutely support that pledge. Of course we welcome the recent developments announced by the Commission in May, but there is still some distance to travel if the final agreement is to gain our full support. This Government must clearly state to our European partners that the UK will veto TTIP unless we receive an explicit exemption for the NHS and Scottish Water as part of a general public sector exemption.

We are very proud of our public services. Governments in Scotland, the UK and beyond must therefore be able to manage those services for the greater good without fear that their democratic mandate might be overruled in the courts.

**Catherine West** (Hornsey and Wood Green) (Lab): Will the hon. Lady give way?

**Ms Ahmed-Sheikh:** I will make some progress.

I hope that the Minister can start to set out today how this Government are making progress in delivering the kind of deal that Scottish MPs and the Scottish Government can support and the current timetable for agreement and ratification. In particular, I hope he takes this opportunity to set out how Parliament will be able to scrutinise the final proposal before it is ratified. We must have a full debate on this important matter.

The Transatlantic Trade and Investment Partnership undoubtedly has great potential to help grow the Scottish economy. We must ensure that that is not undermined by unwarranted and damaging provisions that put our public services at risk.

5.12 pm

**Alex Salmond** (Gordon) (SNP): I congratulate my hon. Friend the Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) on securing this debate. I thank her and the Minister for agreeing to my making a brief contribution on this subject.

I saw a few minutes ago at the closure of the Budget debate that the Secretary of State for Work and Pensions was in his place. Of course, he goes by the acronym IDS. He is a very controversial Minister at the present moment, as he should be, because he is at the heart of plans to impoverish millions of people across the United Kingdom and hundreds of thousands of people in Scotland. If IDS is a controversial acronym, then so is ISDS—the investor state dispute settlement mechanism that is at the heart of the Transatlantic Trade and Investment Partnership arrangement.

I congratulate my hon. Friend not just on securing this debate—her first Adjournment debate in the House—but on its topicality, because only yesterday in the European Parliament, by a vote of 447 to 229, there was an approval to revamp the disputed investor court that will be part of TTIP. The text proposes to

“replace the ISDS system with a new system for resolving disputes between investors and states.”

I know that the Minister will appreciate the extraordinary importance of not offering additional avenues for corporate challenge to democratic decision making. We have seen many examples in these islands over the past few years. The Government I led as First Minister of Scotland had to battle through the courts the insurance companies that were trying to prevent those suffering from pleural plaques from having access to compensation for industrial injury. I am delighted to say that the Scottish Government's position was upheld first by the inner house and the outer house of the Court of Session—our highest court in Scotland—and then by the UK Supreme Court.

The Scottish Government are currently battling the Scotch Whisky Association, which is trying to prevent the implementation of the legislation that was passed and then endorsed by a democratic majority of the Scottish people in 2011 on the minimum pricing of

alcohol, which we believe will save a substantial number of lives in Scotland and rebalance our relationship with alcohol. However, that is being challenged, blocked and tackled through the courts.

The United Kingdom Government are facing a legal challenge from British American Tobacco and other tobacco companies, such as Philip Morris, to the proposal on plain packaging for tobacco products, despite the fact that tobacco, as the Department of Health reminds us, costs 80,000 lives in England each year and a slightly higher pro rata number of lives in Scotland, where there are similar proposals from the Scottish Government.

We see corporate interests challenging the decisions of democratic legislatures and Governments. However, those challenges have happened through the domestic and European courts. The danger is that through the system of ISDS, a whole new dimension of challenge will be offered to corporate interests.

Does the Minister support the revamping proposal that was carried in the European Parliament yesterday? How can that give us assurance that the public interest will be protected from corporate challenge? Is he satisfied that we will arrive at a position where each and every democratic decision of this Parliament, the Scottish Parliament and other Parliaments across Europe will not be challenged by corporate interests, who see, as is demonstrated by the precedents cited by my hon. Friend the Member for Ochil and South Perthshire, in what otherwise might be seen as a welcome move toward free trade, an avenue to advance their own corporate interests?

In the Minister's response, will the Government shape up and give us a position that shows that they recognise the danger, and will they assert, as all Governments and Parliaments should, the primacy of democratic decision making to protect the welfare of their people and the right to pursue democratically agreed policies without vested interests challenging them through a court process?

5.17 pm

**The Minister for Skills (Nick Boles):** It is a pleasure to respond to this Adjournment debate. I know that you, Madam Deputy Speaker, and the right hon. Member for Gordon (Alex Salmond) are disappointed that I am replying to the debate rather than his new friend the Minister for Small Business, Industry and Enterprise. She was due to be here, but is on her way to “Question Time”, where she may well meet the right hon. Gentleman again. I shall do my best to respond to the debate on her behalf. If I do not adequately answer any of the detailed questions that have been posed, I will make sure that she writes to hon. Members with all the details.

I congratulate the hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) on securing this debate on an important subject that has been raised with me by constituents in a number of emails and letters over the past few months. I am glad she acknowledged that this is a once-in-a-generation opportunity to create a very beneficial free-trade area, and that her fine country and the entire United Kingdom rely on trade and have benefited from trade over centuries and generations. Indeed, we think that we are quite good at it and that we usually benefit more even than our trading partners from its expansion.

The Government are confident that the agreement will produce huge economic benefits on both sides of the Atlantic. Outside the EU, the US is the largest



[Nick Boles]

export market for British goods and services, and a successful deal could eventually boost our economy by as much as £10 billion each year. That is a large and abstract number, but it translates into additional disposable income of about £400 a year for the households that the hon. Lady and I represent. More money in people's pockets, cheaper goods and services, more jobs, and new markets for small and growing businesses—those are the things that we are talking about when we talk about this agreement. It is not an abstract or technical process established by elites; it is an opportunity for people up and down the land to benefit.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): The Minister made an interesting point about a £10 billion benefit to the United Kingdom economy. Where did that figure come from, and what analysis was undertaken to produce it?

**Nick Boles:** I do not have that information in my pack, but I shall be happy to provide it. As I have said, my right hon. Friend the Minister for Small Business, Industry and Enterprise will reply in writing to any detailed questions that Members may have.

**Rachael Maskell:** Will the Minister give way?

**Nick Boles:** I want to make a bit of progress, but I will give way later if I have time.

The hon. Member for Ochil and South Perthshire referred to concerns, which have certainly been expressed to me, about the potential impact—or the alleged potential impact—on our national health service. All of us in the House have a responsibility to provide our constituents with the facts as we best understand them, and not to fuel scare stories. I therefore think it important to say that absolutely nothing in the proposed deal would threaten the public nature of our public services, and, in particular, our national health service.

**Catherine West:** Will the Minister give way?

**Nick Boles:** No, I will not.

The hon. Lady referred to, and I will now repeat, some of the words of the European Commissioner for Trade, Cecilia Malmström, who wrote to a Minister in January about the NHS. She said:

“member states do not have to open public health services to competition from private providers, nor do they have to outsource services to private providers”.

She also said:

“member states are free to change their policies and bring back outsourced services back into the public sector whenever they choose to do so, in a manner respecting property rights... it makes no difference whether a member state already allows some services to be outsourced to private providers, or not”.

The European Union negotiating position for the TTIP deal is to ensure that EU countries will be free to decide how they run their public health systems. The NHS—our NHS: the Scottish NHS, the English NHS, and the NHS in all parts of the United Kingdom—is not at risk from this agreement.

**Ms Ahmed-Sheikh:** I appreciate that you are able to offer some kind of comfort, but in yesterday's vote, when there was an amendment for a specific opt-out from TTIP for the NHS, we were defeated. You supported us in the motion—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I let the hon. Lady get away with it the first time, but now that she has done it a second time, I must tell her that she must not address the Minister as “you”. In the Chamber, “you” means the Chair. The Minister is the Minister.

**Ms Ahmed-Sheikh:** I apologise, Madam Deputy Speaker.

The Minister will have noted that the proposal for a specific opt-out was defeated in yesterday's vote. How can he be so sure that we will be protected in any future agreement, and can we be assured that we will have an opportunity to debate it?

**Nick Boles:** I shall come to the point about debating it, but let me first deal with the hon. Lady's point about an opt-out.

Of course it would always be great for the text of any agreement to contain all the reassurances that are required, but, even before yesterday's vote, the Government were entirely satisfied that the position regarding TTIP would not threaten the public status of our NHS or other public services. We were entirely satisfied that there was absolutely no intention on the part of the Commission in negotiating the agreement, or on the part of any other EU member state, to allow the status of either our public services or theirs to be threatened. We are satisfied with the substance, although I acknowledge that more reassurance for our constituents would be welcome if it could possibly be provided. I fear that, to some extent, the hon. Lady praised 38 Degrees, but I would not be so kind. I think that, all too often, that organisation whips up a great many ungrounded fears. It is important for us, as Members of Parliament, to try to reassure our constituents.

**Catherine West:** Will the Minister give way?

**Nick Boles:** I must move on. I am afraid that there are a number of issues to be discussed.

The hon. Lady referred to—and the right hon. Member for Gordon also dwelt on—some of the questions relating to the ability that corporate interests might be given to challenge regulations. I want to be very clear about what will be involved. The ISDS tribunals will be able to grant compensation for actions and decisions by Governments according to regulations that investors can show to have been unfair or conducted in an undue way. They will not be able to overturn, amend or eradicate any regulations that Governments bring in legitimately.

As a believer in the rule of law and as a practitioner of that rule of law in other phases of his life, the right hon. Gentleman will understand that it is always important that every decision by Government, every rule and every law that we pass can be challenged in court or in proper tribunals by those interests that are affected by them. What matters is that ultimately the responsibility

for changing or amending those rules rests with Parliaments, and there is nothing in the agreement that would alter that fact.

**Alex Salmond:** I deny absolutely the suggestion that I am a lawyer. I am an economist. I want to put that on the record. What was the revamping that was proposed by the European Parliament in the vote yesterday? Will the Minister explain how that revamping will improve and consolidate the protection that democratic decision making is going to have against challenge from corporate interests?

**Nick Boles:** I will be glad to get the right hon. Gentleman a specific answer to that question. I do not believe in pretending to know things that I do not know, and I do not have the information required to answer it. I am sorry for having assumed from his eloquence in this place that he must at one point have been a lawyer. I agree that that is an appalling slur on any man's character and I withdraw it unreservedly.

I want to move on to the important question raised by the hon. Member for Ochil and South Perthshire about whether Parliament will have an opportunity to consider the Bill. I want to be clear so, if hon. Members will forgive me, I will read a little from the text in front of me. The agreement is expected to be a mixed agreement to which the UK is individually a party. It will therefore be subject to agreement by member states' Parliaments—

including that of the UK—the EU Council and the European Parliament. As part of this process the UK Parliament will receive the complete draft text of the agreement to scrutinise in debates in both Houses.

I hope that provides the reassurance that the hon. Lady seeks. I note that the party that currently governs Scotland is now very adequately represented in this House and I note the level of interest shown by her party late on a Thursday afternoon, so I am sure that she and her colleagues will provide the level of scrutiny that she seeks.

In conclusion, I am certain that this agreement could have enormous benefit for the people of Scotland and the people of the United Kingdom. I am satisfied that the agreement will not threaten the public services that we hold dear and that we want in large measure to remain public—there is nothing in it that will do that. I am also satisfied that there is no process in it that will usurp Parliaments or democratic processes for changing regulations or laws, but I endorse and support the desire for proper scrutiny of an agreement that will be a very substantial commitment by all member states of the EU. I congratulate the hon. Lady for starting that process here this afternoon. I have no doubt that she will continue it over the months to come.

*Question put and agreed to.*

5.28 pm

*House adjourned.*





# Westminster Hall

*Thursday 9 July 2015*

[MR GRAHAM BRADY *in the Chair*]

## Elected Mayors and Local Government

1.30 pm

**Mr Jim Cunningham** (Coventry South) (Lab): I beg to move,

That this House has considered elected mayors and the future of local government.

It is always a pleasure to serve under your chairmanship, Mr Brady. You and I have known each other for many years.

I start by going back to the early 1970s, when the Layfield commission's report was published. Some people might remember it. As a result of that report, the metropolitan authorities were set up. After about 10 years, they were abolished. Essentially, they were set up by a Conservative Government and abolished by a Conservative Government. Conservative Governments have always tinkered about with local government. When the metropolitan authorities did not work out in the way that the Conservatives wanted them to work out, they were abolished.

During and since that period, local authorities' budgets have been capped when Governments have thought they have been spending too much, and certain powers have been taken away from local government. Last week or the week before, I tried to establish whether the Chancellor intended to create a mayor for the west midlands, but I got a vague response of, "Well, there will be discussions." We never got a clear answer. Perhaps the Minister can shed some light on whether a mayor will be imposed or whether there will be some other system.

The Cities and Local Government Devolution Bill is an enabling Bill that dictates that each combined authority will have a unique set of powers given to it by individual order, based on negotiations with the Government. That word—"negotiations"—allows the Government not to come clean on their intentions. The Bill also stipulates that each combined authority is headed by an elected mayor. It is not yet law, so negotiations have not yet started for many combined authorities and the powers of future combined authorities remain speculation. I therefore intend to speak about the potential impact, implications and pitfalls of the Bill for the west midlands and the country as a whole. Based on the information we have at present, I will suggest things that the Government should consider carefully in taking the Bill forward. The exact powers of future combined authorities have not yet been defined due to the individual negotiations required for each authority and the lack of clarity from Ministers.

With a population of 4 million, the west midlands combined authority would be the largest by population in the UK and the second biggest economic area after London, contributing more than £80 billion gross value added to the United Kingdom economy each year. Members can understand my worry, then, when the Government remain remarkably silent on such a combined authority while mentioning the northern powerhouse

at every opportunity. The northern powerhouse was mentioned in the Budget, and I was surprised that there was no mention of the west midlands. That concerns me not because I am against the principle of devolution, but because I am against devolution occurring in an unequal, ill thought out way, with some cities and regions getting preferential fanfare treatment while others, such as the west midlands, are left in the dark. The Government must not treat the west midlands simply as an afterthought; after all, it is one of this country's economic powerhouses, and it must be valued on its own merits. The west midlands must sit at the top table and not be sidelined, as it has been so far. All devolution must be formed into an extensive long-term nationwide plan, not a series of short-term and opportunistic one-off deals, as appears to be the Government's intention.

In the interests of transparency, clarity and the public interest, I call on the Government to speak more openly about the deal on offer for future combined authorities, and especially for the potential west midlands combined authority. They should acknowledge the unique strengths and history of the west midlands in such areas as automotive manufacturing, the aircraft industry and many other innovative industries and ensure that the best and fairest deal possible can be reached. I also urge the Government to spell out their long-term plan for the west midlands and to clarify how that vision ties in with a future west midlands combined authority.

The Government have spelled out their intention that each combined authority be headed by an elected mayor. The idea of elected mayors is ingrained in the Bill. As it stands, it mentions the word "mayor" 209 times. I am concerned that the Government have little to no room for negotiation on alternatives. The focus on mayors is misplaced in light of recent events.

**Kevin Foster** (Torbay) (Con): I thank the hon. Gentleman for his friendship since I joined the House. I can see some other familiar faces in the Chamber today. He might be aware that Torbay is one of the few unitary authorities that have an elected mayor under the scheme created 10 years ago. A referendum on continuing that system is due next year. Does he agree that the key thing is that the mayors deal with strategic issues, such as transport or the police, rather than day-to-day things, such as grass-cutting, that are perhaps better dealt with by local councillors?

**Mr Cunningham:** A strategic economic plan is needed at a regional level, and I have never disputed that. The big fear is that the other functions of local authorities could be taken away. The police, the fire service and that sort of thing are dealt with at the regional level at the moment. I have no problem with strategic or economic planning—there has to be some sort of plan—but the role of local authorities should not be diminished in relationship to that, nor should they lose any powers.

**Colleen Fletcher** (Coventry North East) (Lab): We are told by the Government that substantial further devolution of power to combined authorities must be accompanied by the introduction of an elected metro mayor. It is not clear, however, which new powers would be available to those areas that choose to have an elected metro mayor and which would be available to those areas that choose to not have one. Does my hon. Friend agree that we need clarity from the Government on that?

**Mr Cunningham:** I agree with my hon. Friend. I made the point earlier that the proposals for the west midlands are vague. The idea of an elected mayor is not new for the people of Coventry. On 3 May 2012, a referendum was held in which the people of Coventry voted decisively against an elected mayor. With nearly two thirds voting against, the idea was soundly rejected. Birmingham, which is also likely to join a west midlands combined authority, voted against the same idea on the same day, but those democratic decisions now look likely to be overruled without the people of Coventry, Birmingham or anywhere else being consulted. We must not forget that the referendums were undertaken at great monetary cost to local taxpayers. If there is to be consultation, the Government should pay for it, not the local taxpayer. If the local authority in Coventry were to conduct a referendum, it would probably cost £600,000, and that money could be well spent on other services in Coventry. The Government should consult properly and pay for it.

Voters and taxpayers deserve better than to be ignored by the Government, especially when they spoke with such a strong, unified voice in the west midlands. Should the city of Coventry join a combined authority, the imposition of an elected mayor would be a worrying development that would go against the will of the electorate. I urge the Government to take into account recent electoral history when pressing forward with negotiations, not just in Coventry and Birmingham but across the west midlands and the country—wherever they want to establish the authorities. I urge the Government to allow room for flexibility in the negotiations and not to adopt a one-size-fits-all approach.

I am also worried that the new combined authorities could shift power away from councils and councillors. Any shift of power upwards and away from local representatives, who best understand the problems and challenges of local areas and can tailor solutions to local needs, would be a worrying trend, especially if power were consolidated in an imposed elected mayor.

Having an elected mayor now is one thing, but we do not know whether, in future, that mayor would be given further powers. That is one of the worrying factors that the Government should come clean about. People do not want just another layer of politicians. Any potential transfer of powers would work against the true spirit of devolution, in which powers and responsibility should be entrusted to the lowest possible level. I urge that, in this instance, the powers granted to councils be increased, rather than scaled back. They have been scaled back many times over the years—we need not go back far to see how that happened for education and social services.

I support devolution, but it must be gone about in the right way. I urge the Government to treat regions equally, and to put the west midlands on an equal footing with the northern powerhouse. A Minister for the west midlands would go some way to remedying the situation—we had one under the most recent Labour Government and some progress was made—and show a commitment from the Government to the west midlands for now and for the future. I urge the Government to drop their insistence on elected mayors, as described in the Bill, especially in the case of the west midlands, where both Coventry and Birmingham rejected the idea last time. I urge caution on Ministers regarding the project.

**Several hon. Members** *rose—*

**Mr Graham Brady (in the Chair):** Order. Before I call Martin Vickers, it might be helpful if I let Members know that, given the number who want to speak, an eight-minute limit on speeches will help to ensure that we get everyone in.

1.41 pm

**Martin Vickers** (Cleethorpes) (Con): It is a pleasure, as always, to serve under your chairmanship, Mr Brady.

I congratulate the hon. Member for Coventry South (Mr Cunningham) on securing this debate, which is particularly timely in view of how the Government are encouraging local authorities to combine and consider elected mayors. I can understand the logic: there is no doubt that the more localised power and resources are, the more that innovative ideas come forth, encouraging growth and regeneration in our towns and cities. I would be much more radical than the Government, who are being a little too cautious. The time has come to sweep away the existing structure of local governments. Districts are dying—they are being combined, with joint offices and so on—and ultimately they will wither on the vine. Perhaps that is what the Government are looking for. We should have unitary authorities across the board. The time is rapidly approaching for us to state clearly that that would be best, and to get on and deliver it.

Combined authorities are okay, but they lack proper democratic accountability. I would like to see unitary authorities headed by elected mayors. I have always advocated having elected mayors; that would draw into local government and administration individuals who are perhaps not currently particularly enthused about becoming local councillors and—to use an example given by my hon. Friend the Member for Torbay (Kevin Foster)—determining how regularly the grass should be cut. We want community leaders who can be ambassadors for their area and be like Members of Parliament should be: another thorn in the side of Government on behalf of their local communities.

I was a local councillor for 26 years. I sat for part of that time on a district authority, and then, when Humberside County Council was thankfully swept away, on one of the unitary authorities that came forth from it. Humberside was a classic example of Government doing things that were completely opposed by local people. The council was opposed by those from across the political spectrum, but I am afraid that representations came to naught, and we suffered 20-odd years of an authority that, quite honestly, was despised—that is not too strong a word—by most people on the south bank of the Humber. They felt that power and resources were concentrated in Hull. Local people need to be able to identify with any system of government. The reality is that, as well as having their national identity, people identify with their town, village and county. Any form of administration is best modelled on those units.

One reason why elected mayors were not enthusiastically received by the people in those towns that held referendums two or three years ago is that there was no encouragement from their local authorities. In the main, local councillors do not like the thought of elected mayors or reorganisation, because of course that would hit at their power base. That reaction is understandable, but the time has come for us to look at the bigger picture. The Government should not be trying to encourage, support and cajole

local authorities into forming combined authorities with metro mayors and so on; they should be keen advocates for elected mayors and should allow local people to make the decision. I think I am right—the Minister will correct me if I am not—in saying that local citizens can effectively overrule the wishes of their local council by initiating a referendum. As far as I know, the threshold requires 5% of voters to call for one; I urge the Government to reduce that—to halve it, or make it 1% or 2%. That would encourage local people to mount their own campaigns. Perhaps individuals with their eye on the mayoralty would encourage local campaigns as well.

To conclude, I urge the Government not to mess around, but to go for the jugular and be radical. There will, of course, be difficulties, but there are difficulties in the Government's current approach, because trying to get agreement among six, seven or eight authorities is quite a challenge. I would not compare it with the major problems throughout the world, but it is a diplomatic challenge. I am sure that the Minister is up to it, but I urge him not to mess around. He should go for it, sweep the present structure away and have unitary authorities with elected mayors. "Elected mayor" is perhaps an unfortunate choice of title though, because the British people associate their mayor with his or her civic role—wearing the red gown when meeting royalty, or in their chains of office opening the church bazaar. We are looking for an elected leader of the council. If the Government's aim to regenerate our towns and cities is to succeed, I urge them to be a little more radical.

1.48 pm

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): It is a great privilege to serve under your chairmanship, Mr Brady.

I congratulate my hon. Friend the Member for Coventry South (Mr Cunningham) on securing this debate so decisively and swiftly. He speaks with immense experience of both local government and the midlands, and I completely subscribe to everything that he said. Yesterday's Budget was lamentably poor in what it offered the west midlands. Different parts of England are now being treated in very different fashions. More importantly, my hon. Friend is right to say that the notion of elected mayors was rejected very recently in my home city of Birmingham, and in Coventry.

If there is to be any change in England's devolutionary arrangements, and ideas such as metro mayors are to be brought back to the table, surely those changes can come only with an absolute game-changer of an offer to devolve power from Westminster to different parts of the country. I want to offer a perspective on what that game-changing deal might look like, informed by my time as a regional Minister—the first Minister for the West Midlands—and as the Chief Secretary who created the Total Place programme, which looked at ways to bring together different areas of public spending so that, for the first time in this country, we could have preventive investment without having an eye on where the gains would flow in due course.

Let me start with the basic question of why a different kind of deal is necessary, and why it is necessary in the west midlands. The answer is very simple. The last five years have been hard on the west midlands. The Government's decision to put the recovery in the slow lane meant that average wages were reduced by about

£1,500 a year in the west midlands. Our productivity performance is still among the worst in England, and our employment rate has only just come back up to the level that it was at before the recession. It is now at about 70%. That is well below the UK average. Despite the entrepreneurial energy of the region that was the home of the industrial revolution, and although there is new hope, there is a lot more progress to make.

**Julian Knight** (Solihull) (Con): I do not recognise the economic picture of the west midlands that the right hon. Gentleman paints. In my constituency, unemployment has fallen by 67% since 2010. Also, I am proud to say—I am sure that many hon. Members will join me—that the west midlands is the only part of the UK with a trade surplus with the European Union.

**Liam Byrne:** It is also the only region with a trade surplus with China. My point is simple: the entrepreneurial energy of people and businesses in the west midlands has been absolutely extraordinary, but it is a shame they did not get more help in prosecuting their ambitions from the Government here in Westminster.

I want to offer various ideas for how the Government can get behind the midlands. I want to challenge the Minister this afternoon on whether he is serious about devolution to the new combined authority in the west midlands. Is he prepared to countenance the game-changing powers that would make a massive difference? Is he prepared to give the new combined authority in the west midlands the wherewithal to deliver what I think could be a mighty manifesto for the midlands?

I will start where the leaders of the combined authority have started: by taking aim squarely at the productivity challenge. They were right to put that in the centre of their sights. We face a challenge in the midlands: we do not have enough high-skilled jobs. If we look at the high-skilled jobs in the knowledge-intensive industries that have been created in our economy since 2009, 85% of them have been created in London and the south-east. There has been a fall in the number of knowledge-intensive jobs in the west midlands by about 2,000. In other words, despite all the progress of the last few years, the knowledge economy in the west midlands is not getting bigger, but smaller. If we want to reverse that trend, we have to do two big things. First, we must dramatically increase the scientific research base in the region, and secondly, we must build a technical education system, as they have in our competitor economies, from Berlin to Beijing.

Our universities today have the second lowest share of research spending in the United Kingdom. Only 3.6% of our universities' income comes from research funding. That is the lowest fraction of any university in the country. As Mike Wright, chief executive of Jaguar Land Rover, pointed out recently, as a country we are producing 40% too few engineers each year. That means we have to import skilled people from abroad because we do not train enough of them here. I am afraid to say that our region has the lowest proportion of 19-year-olds achieving five good GCSEs including English and maths. We are an incredibly entrepreneurial region, but we have a profound productivity challenge, and we will not break out of that unless we transform the research base of our region and build a technical education system, which is eminently doable.



**Mark Pawsey** (Rugby) (Con): The right hon. Gentleman said that we did not have enough high-technology jobs in the west midlands, but then went on to say that we did not have enough high-technology skilled workers.

**Liam Byrne:** Correct.

**Mark Pawsey:** Is it not the second, rather than first?

**Liam Byrne:** We are trapped in a low-pay, low-skill equilibrium, as the OECD calls it. We have to break out in two ways. First, we must build a bigger research base. Where we have done that—in places such as the advanced manufacturing centre at Warwick—we have shown that we are capable of soliciting and securing the most extraordinary new investment, but alongside that new investment there must be an effort to build a technical education system. If we are to build a new generation of technical university trusts across the region that would allow young people to study on an apprenticeship track up to a degree level of skill, the region must take control of funding that is currently locked up in Innovate UK, the Higher Education Funding Council for England, the Skills Funding Agency, and the apprenticeship budget. That is the only way we can line up academies and university technical colleges with a new careers service, a region-wide apprenticeship agency, more specialisation in our further education system and a new partnership between further and higher education that would allow apprentices to go on to study to a degree level of skill. I hope the Minister will tell us that they are all powers that are within scope.

Secondly, there have to be changes in how the Department for Work and Pensions works. Combined authorities have to acquire more power over the way in which the Work programme works, because that is the only way that we will be able to line up our skills system and our back-to-work system for the first time. Most Work programme providers are not doing a great job and will say that they could do a much better job if they were able to get their hands on skills funding.

Thirdly, there must be new powers over transport infrastructure. The argument for the west midlands is well rehearsed. Some 90% of UK businesses are within four hours, but the transport system is shambolic. There are big new investments coming in, but we have to take powers over both bus and train franchising if we are to deliver the integration that is possible. Crucially, we need the Highways Agency and Network Rail to give us the latitude to control prioritisation within their investment programmes in the years to come.

I have two more points. The fourth set of powers that the combined authority needs are around culture. The west midlands boasts the greatest British cultural brand in the world: William Shakespeare. That is why I hope that the combined authority brings Stratford-upon-Avon into its ambit as quickly as possible. Stratford-upon-Avon is not a big council; it is small. It does not have the investment required to unlock the potential of that brand. The region is so disjointed that if someone goes to tonight's performance of "Volpone", which finishes at about 10.40 pm, it is impossible to get the train back to Wolverhampton or Sandwell, and if someone wants to get the train back to Coventry, it will take 1 hour and 40 minutes. They can get the train to Solihull or Birmingham after the curtain falls, but in most of our region we cannot go to the glorious new theatre in Stratford-upon-Avon and make it home after the final performance.

Finally, I want to make a moral point. Our region is scarred by some of the worst child poverty figures in the country. About a third of children in Birmingham, Sandwell and Wolverhampton grow up in poverty. About a quarter of children in Coventry and Dudley grow up in poverty.

**Mr Graham Brady (in the Chair):** Order.

**Liam Byrne:** Unless we are able to integrate the budgets differently, we will not make progress on that challenge.

**Mr Graham Brady (in the Chair):** Order. I have been generous with the right hon. Gentleman, but we need to move on.

1.57 pm

**Julian Knight** (Solihull) (Con): I congratulate the hon. Member for Coventry South (Mr Cunningham) on securing this important debate.

My constituency of Solihull is at the epicentre of the debate over devolution and elected mayors, or at least it feels as though it is when I walk down the streets of my constituency. I am actually stopped in the street and asked about it. The question that often comes to mind is: why do we need to be a part of a combined authority? I can understand where the people of Solihull are coming from in that respect. Solihull is the jewel in the crown of the midlands economy. The unemployment rate is 1.6%, which, as most economists would tell us, is below frictional unemployment, so it is effectively full employment. There are currently 1,000 job vacancies in Solihull. For every 1,600 vacancies, there are 1,000 applicants within the local area, which means we are bringing people in from across the west midlands to work in our successful economy in Solihull.

Solihull jealously guards its independence. It is a small authority that was nearly abolished in the 1970s, but managed a stay of execution. It is a very well run authority. We have frozen our council tax for five years and we are recognised across the region as offering very good value for money for our taxpayers. However, when I am stopped in the street and asked about the combined authority, I say that there are things we can do together that we cannot do on our own.

I envisage devolution being slightly different from how it is sometimes portrayed in the media. There are opportunities in our economy—what I would call the economy-plus model, with skills, as the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) made clear in his speech, and apprenticeships, particularly with the new apprenticeship levy introduced by the Chancellor in the Budget, which should bring exciting opportunities for the region to harness the skills of our young people.

On transport, I agree that we are not currently as well served as we might be in the region. Solihull is lucky with its train links, but there are problems with the bus links, such as in north Solihull, where buses are infrequent—up to one an hour in certain parts of the constituency. Something similar to an Oyster card for the midlands would be a good idea, as well as being a positive step towards economic integration and in getting people to the jobs that they need.

A combined authority would also bring the ability to pitch for more European Union cash. Local enterprise partnerships are not recognised by the EU and, although we still get some money, it would be much easier for a combined authority to pitch for EU money to bring about the infrastructure and other improvements that we all wish to see within the region.

The idea is not to lose powers or, in effect, to see the well-run local council evaporate, but to gain powers to overlay existing ones—devolution from the centre. Solihull stands ready to deal with our neighbours to grasp the opportunities, although I caution against any top-down approach and I commend the Government for looking for a bottom-up approach.

When devolution comes, I genuinely believe it should come according to the culture of the area, rather than from some top-down perspective. For example, we have to recognise the fact that the body politic of the Greater Manchester area is culturally more cohesive than that of the west midlands. Therefore, the idea of allowing us to come together, however difficult that might be, and to design something attuned to our region and our populace, and to our particular economic challenges and outlook, is more sensible, although it might take longer than we would wish.

Solihull, as I say, stands ready. We want to avoid a 1970s-style from-on-high reform. Reform has to come from all of us. We are all elected officials in the areas that might wish to form a combined authority. I echo the words of the right hon. Member for Birmingham, Hodge Hill, that Stratford-on-Avon would be welcome in a combined authority, although people do not want to feel that the process is in effect a takeover by the major conurbations of Birmingham and other areas—we have to understand that that is a genuine concern. It would be better to have a much wider perspective and a more inclusive combined authority that brings together many more people and opportunities for the region. Furthermore, there is the potential over time for further powers to be devolved. What we achieve now might only be a staging post. More things coming down the line might allow us to manage things even better and more locally.

I have always been sanguine about elected mayors. If substantial powers are transferred from the centre to the regions, greater local accountability is necessary—in effect, there has to be someone for the voters to sack. Obviously, they can get rid of our council leaders and of us as Members of Parliament for mistakes made, but at the end of the day it might be difficult in a large combined authority to lay the blame at the door of one council leader rather than another. It would be much better if there was a figurehead, or a body, that was directly accountable to voters, because people could take their ire there, if they so wished.

Many other Members wish to speak, so I will sum up. The opportunities before us are exciting, and I am pleased that there is at least a cross-party willingness to co-operate on such matters throughout the region. We must also understand that the approach has to be bottom-up and staged. We are not Greater Manchester—we are not a Greater Birmingham and I recognise no such construct—but we are a strong region with real challenges and real skills. I urge all hon. Members and anyone watching the debate to come together to sort out a bottom-up approach to present to Ministers. Then we can move the project forward.

2.4 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): I congratulate my hon. Friend the Member for Coventry South (Mr Cunningham) on securing this important debate, which is all the more timely given the announcements in yesterday's Budget statement.

It has been interesting for me to listen to the concerns and experiences of colleagues throughout the midlands. In my constituency, however, we are already familiar with the concept of combined authorities and elected mayors. Ian Stewart, whom many of my hon. Friends will have known as the Member for Eccles until 2010, went on to be the first elected mayor of Salford. He has used the powers of the executive mayoralty to great effect. Salford City Council became a living wage employer long before the Government became a convert to the term. Similarly, we were the only council to offer up to 25 hours of free childcare, and we pioneered the integration of public services. Unfortunately, however, much of that is under threat—not from changes to local government structures, but from the relentless cuts imposed on the council by Government. I will save those details for a debate on local government finance, but suffice to say that a discussion on structure without one on spending will not lead to a balanced solution.

That brings me on to the ongoing debate about creating another layer of local government, the so-called “devo Manc” package for Greater Manchester. We do not yet know the final shape of the proposal. The sooner Ministers update the House the better, given the limited details the Chancellor revealed in the Budget statement yesterday. If we had the ability to extend the living wage—the genuine version, rather than the one announced yesterday—across Greater Manchester, that would certainly be a good thing for all our constituents in the region. Similarly, integrating our public services and perhaps better regulation of public transport would be welcome advances. All that, however, needs resources, and I greatly fear that in Greater Manchester we are far from being fiscally self-sustaining. We are not London and do not command high council tax or business rate returns. Ultimately, for devo Manc to become truly viable, resources must follow responsibilities.

Similarly, when much of the Government's agenda is market-driven and creates fragmentation, we have found that being granted the power to preserve and integrate public services is key. Any devolution settlement for Greater Manchester must allow the mayor to integrate across public services without being impeded by commissioning or contractual relationships. I also hope that any Labour mayor of Greater Manchester would commit to public sector organisations being the preferred provider of the services and, as such, I would welcome Government clarity on whether mayors will have such a power. In addition, the Greater Manchester agreement and memorandum of understanding do not suggest any change to the employer for those who work in the services in question. It would therefore be helpful if the Minister will confirm that no such change is envisaged by the Government.

On the subject of the national health service, many of us noted the comments of the Secretary of State for Health regarding charging and GP visits—I stress to the Minister that that would not be the right way to go for devo Manc, and I hope charging for services will not be part of the final package. It should also be noted that

[Rebecca Long Bailey]

the memorandum of understanding refers to a new Greater Manchester strategic health and social care partnership board, which appears to have the lead role on health and social care. There is little detail, however, so perhaps the Minister will clarify the exact relationship between such a board and the proposed mayor. Also, most importantly, which health services will, despite the drive towards integration that I described previously, ultimately remain under the overarching control of the NHS?

Finally, I come to the way in which the mayor was proposed. Salford's mayoralty was the result of a referendum in which local people had their say. They will now find that another layer has been inserted above their own mayor without any such legitimacy. At the heart of devolution must be true democracy, which I am sure is the Government's intention, so I hope the Minister can promise more of that rather than less.

2.9 pm

**Mr Geoffrey Robinson** (Coventry North West) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady, as always. I congratulate my hon. Friend the Member for Coventry South (Mr Cunningham) on securing the debate, and I thank Mr Speaker for granting it. It is an important one and an opening for many more, although there will probably be more local than national debates. It is important for us to realise that elected mayors affect local, not national Government.

It would be far better to take a practical or bottom-up approach, as others have described it, to the problem than to go for the jugular, as recommended by one of the participants in the debate. Perhaps he should put his own jugular on the line first and see how it feels before he recommends that we collectively do the same, but that is for him to decide. It would be fatal to rush into this blindly. That suggestion shows no understanding of the reality of the complex organisation that we are about to create, or of what it is like in the private sector, let alone the public sector. In the private sector, the shareholders are seen once a year, which can be a pain or a pleasure, depending on how the organisation has done. With this type of organisation, however, there is regular accountability through newspapers and other means all the time, quite rightly, and through weekly party and council meetings. It is a completely different kettle of fish from a private sector organisation.

We learned a lesson from the 1970s that you may remember, Mr Brady—I don't think you were in the House, but you may have studied it. I was not in the House either but I studied it from quite close up—from Smith Square, where I was at the time. The then Prime Minister, with great executive thinking, brought a private sector approach to things. He said, "We're going to do this, and we'll do it from the top down. We'll impose it and have a nice blueprint." The then Secretary of State, who had a very distinguished service record in the public sector and a very successful record in the private sector—rather like Lord Heseltine—thought, "We'll do a proper merger, have a blueprint and make sure that we do it exactly as we have told them." It was a theoretical blueprint that bore no relation to the different sets of circumstances, and as my hon. Friend the Member for Coventry South and my right hon. Friend the Member

for Birmingham, Hodge Hill (Liam Byrne) both said, within 10 years it broke down in the reality of the complicated democratic processes that Governments have to work with in the public sector.

We should forget all that. Let us deal with the situation as it is, and take a practical approach. I speak as one who is second to none in my admiration for Lord Heseltine, and indeed Lord Walker before him, who did the ill-fated 1970s reorganisation. Let us be practical people, with a depth of experience of the public sector and its needs, when we come to deal with this very difficult task.

Some of us in Coventry feel two things. It could well be that we have been slightly behind the game and have not joined in or been promoting this idea early enough or strongly enough, as a west midlands entity, but that is because we have never really felt the same identity of interest with Birmingham and the black country as we perhaps have with Warwickshire, which is our more natural—

**Mark Pawsey:** Will the hon. Gentleman give way?

**Mr Robinson:** I would, but we are all limited by time, and the hon. Gentleman, whom I know very well and share many interests with, will have time to make his own speech in a moment.

Coventry is a proud city in its own right. I have told the House before how some decades ago, when I was first selected as a candidate, my party chairman took me to one side and said—I had just been selected, Mr Brady, and you know what local parties can be like—"Now Geoffrey, you have to understand one thing." I was fairly new to Coventry at the time. He said, "The most important point you have to understand as a Coventry MP is that there is only one good thing that comes out of Birmingham. Do you know what that is?" I had no idea. I suggested cars, machine tools, motorbikes and so on. He said, "No, no. It's the Coventry road." That was a silly, parochial approach, and we are no longer—thank God—bound by those sorts of considerations. I would certainly never dream of giving that advice to anybody who might succeed me in decades to come. However, Coventry is a proud city and I believe that Wolverhampton, which has gained city status more recently, feels as Coventry does in many ways.

**Colleen Fletcher:** Will my hon. Friend give way?

**Mr Robinson:** I will, but I will make some progress first, if I may.

The point that I am trying to make, in a very unsubtle way, is that we have interests, as proud cities representing proud peoples, in a way that perhaps does not apply to Manchester. We also came late to the game and therefore need more time than Manchester. That does not mean we should not get on with it, and I must say that under the dynamic leadership that Councillor Lucas has brought to Coventry, we are running quickly to catch up and she is pushing the west midlands to get going.

However, one thing is clear: what is behind all this. I want to quote from an article in the *Coventry Telegraph* this week, following the publication of a remarkable document on the west midlands combined authority on 6 July, which makes a very strong case for going down the route of a combined authority for the west midlands.



It is a strong case and we should not ignore it at all, and I am sure that Coventry is right in on the act and pushing to develop it. However, we want to say one or two things to the Government about what is lurking behind all this. Let me quote from the article, which deals with the issue of the metro mayor—the first big thing we have to deal with. The article states:

“The issue has left an unsightly rash on the face of the newborn WMCA, and the sooner it is treated, the better.”

The article goes on to say that Coventry and Birmingham rejected the idea very decisively as recently as a couple of years ago, and makes the case that we are looking at the re-imposition of the same formula next year. It could be as early as that, and it just does not stack up. It is not what the people will go along with. We have to get the democratic agreement of all concerned. What Councillor Lucas and we are all saying is: could we just have time?

The Chancellor properly said—I realise we are time-constrained, Mr Brady—that for the moment he thinks it is the best way forward. He made that clear again in the Budget this week, emphasising that he believes that elected metro mayors are the best—if not the only—way forward. However, he is open to us putting our proposals to him, and he has very kindly agreed a meeting in principle with the Coventry Members, so that we can explain Coventry’s circumstances to him. We should take him up on that, and put the case for a transitional set of arrangements to him.

We will accept the mayor in principle—I am sure we can do that—but let us have a transitional period in which look at how the thing would work, and at balance sheets and financial responsibilities. How will the different units be brought together, in terms of their balance sheets? They are all separate accounting bodies, with immense responsibilities. I am no expert on local government finance or organisation, but I can imagine that the difficulties are enormous when a tier of government above is responsible for some of the funding. The importance of skills was rightly emphasised by my right hon. Friend the Member for Birmingham, Hodge Hill, and there is also transport and other areas where real money is coming to a new authority or a new power—a new channel for it.

The most important thing is the need for properly organised transitional arrangements. We are giving that a lot of thought—sadly, I do not have the time to get into that today—and we will put those proposals to the Chancellor. We should say, “We don’t want to go down the 1970s route again. Give us time. We are going in your direction and we are catching up fast. Just bear with us.” We can put that to him when we meet.

2.17 pm

**Mike Kane** (Wythenshawe and Sale East) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady, and not just because you are a neighbouring MP of mine. I congratulate my hon. Friend the Member for Coventry South (Mr Cunningham), who has such experience in these matters, on securing the debate.

Disraeli said—if I can pay tribute to at least one Tory Prime Minister—that

“what Manchester does today, the rest of the world does tomorrow”.

He said that on the steps of the free trade hall 200 years ago. I cautiously welcome the Cities and Local Government Devolution Bill, but it is almost as though the present

Government are being brought kicking and screaming behind the innovative approach of Manchester and Greater Manchester. We are leading the way—there is no doubt about that—in the debate. The new plans for the Greater Manchester combined authority will involve it taking the reins on transport—integrating our buses and public transport system—and housing. We need to start building 10,000 houses a year across our conurbation. It will also take the reins on planning, policing and public health to drive up prosperity within our region. As I mentioned policing, I would like to place on record my tribute to Sir Peter Fahy, who has announced his retirement as chief constable today. He has served our conurbation with honour over many years and has made a real difference.

We are leading the way in bringing together health and social care budgets. That is a combined total of £6 billion. That will put in the hands of local people the power to decide what sort of health services they need and will suit their needs. This will not be an easy process, as we know from Healthier Together, but it is necessary. The task ahead is to bridge the gap. Between 2004 and 2013, the number of businesses in cities in the south grew by 27%—almost twice the 14% growth seen in cities elsewhere in the UK.

The Manchester Independent Economic Review found that, outside London, Manchester is the city region that, given its scale and potential for improving productivity, is best placed to take advantage of the benefits of agglomeration and increase growth. To criticise the Government, though, how do we get agglomeration and increased growth when we start pulling schemes such as the Leeds-Manchester electrification, or even the Midland main line electrification, which would drive traffic to places such as Manchester airport in my constituency? Greater Manchester has the potential to be a net contributor to the national economy. When a mayor is elected by the people of the region, he or she needs to maximise investment in our growth priorities by supporting the private sector to drive growth, and by helping businesses to do better.

In Greater Manchester we spend about £22 billion on public services, yet we raise only about £17 billion in taxes. The key is bridging that gap. There is no doubt about it: if we want to be a powerhouse in the north, we have to close that gap. That will be the key priority for the interim mayor—and, when we go forward after the election in 2017, the full-time mayor. We need to become a fiscally self-reliant city. Austerity has not worked for us. We spent £22 billion in 2010 and we are still spending more than £22 billion today. The current Government have blown welfare budgets and other budgets through the roof. We can deal with this better locally than nationally.

Independent forecasts have shown that, with devolution powers, cities alone could deliver £222 billion and add 1.16 million jobs to the economy by 2030 if we get this right. We must reform the way we do public services. We must reduce barriers to productivity and reduce the need for spending on reactive public services.

In Greater Manchester, there is a significant opportunity for Government and the region jointly to develop and deliver an approach that will have a long-term and permanent positive impact on the UK as a whole, as well as Greater Manchester. For the plan to work for the people of Greater Manchester and other combined

[Mike Kane]

authorities, local authorities must work together. That has been the key to this. If anybody thinks that it has been easy in Manchester, they are wrong. Our two great cities of Salford and Manchester and the other eight boroughs have had to work together and across political divides. That has been not been easy, so I pay tribute to the leaders who are putting this together. I hope that the Minister will reflect that in his comments.

Greater Manchester will be empowered, through larger devolved budgets, to promote better skills, infrastructure and economic development in return for growth plans. Through the retention of our business rates growth, we can develop our constituencies within our cities even better. We have an enterprise zone that has not quite got off the ground yet; the zone, announced in 2011, is at Manchester airport. We need to push to ensure that in our spatial planning, we are getting the industrial strategy right so that we can increase our tax base. Manchester airport has just announced £1 billion of investment for the duration of a 10-year transformation plan. As you know, Mr Brady, we are moving from 23 million passengers to 55 million passengers a year over the next 10 to 20 years, so the potential is huge.

We have announced an interim mayor, Tony Lloyd. I wish him every success and pay tribute to him and the 10 leaders for their co-operation in bringing this agenda to the Government's attention, and for securing the package that they did in the Queen's Speech this time round.

2.24 pm

**Owen Thompson** (Midlothian) (SNP): I, too, commend the hon. Member for Coventry South (Mr Cunningham) for securing the debate. Obviously, my colleagues and I in the Scottish National party pass no comment on the structures of local government in England. That is ultimately a matter for the people of England, local government being devolved to Scotland, so although the structures are of interest to us, we will reflect on our experiences in Scotland, rather than making suggestions. However, I hope that some of my comments will prove useful in a consideration of the further development of devolution relating to local government for England.

In Scotland, there have been a number of approaches over recent years. The Scottish Government pursued the "Our Islands, Our Future" campaign. We are seeing far greater discussion and agreement on devolving direct decision making to the island communities around Scotland. Local communities will be able to have a say over the incomes from the Crown Estate and 100% of the net income from the seabeds will be passed to island communities. There will also be island-proofing when legislation goes through the Scottish Parliament. As a former council leader, I have always felt that the best decisions are those taken closest to the people who are impacted by them. The Community Empowerment (Scotland) Bill, which has progressed through the Scottish Parliament, is also designed to pass greater decision-making powers to our local communities.

We have heard a lot of talk about the northern powerhouse—and, today, the midlands powerhouse and the Greater Manchester area. I have to confess that every time the northern powerhouse is mentioned, I think of the Aberdeen and Aberdeenshire city deal proposals

that are moving forward; I suppose my geography is slightly different. However, Aberdeen City and Aberdeenshire are not the only two councils in Scotland looking to progress with city deals. The Glasgow one has been in place since August 2014. Beyond Aberdeen, Dundee is also making progress, and my former authority, Midlothian, is working with the other authorities in the Lothian region on an Edinburgh city deal.

My perspective is that I come from the second smallest local authority in Scotland, where I was initially very resistant to any approaches involving what felt at times like being swallowed up into the massive great beast of Greater Edinburgh, because that was always a threat. It was a big advantage that, since reorganisation, Midlothian was a council in its own right. Having worked through the process and worked closely with the leaders of Edinburgh City Council, East Lothian, West Lothian, Fife and the Scottish Borders, I could see the benefits. Other speakers have touched on how important infrastructure is in the development of any proposals to benefit from a city deal arrangement. Certainly I was able to see the huge benefits that Midlothian would have been able to achieve through a city deal arrangement, so I very much hope that that work, which is continuing positively, will go on for the benefit of our communities, because ultimately it is our communities that we are all here to represent. Often on these issues, the geography becomes the battle line, rather than any political allegiance. People are looking to get the best results for the town that they are from, and that they represent. They are looking to ensure that local people's say and outcomes are as strong as possible.

We saw yesterday another Budget of cuts and continued austerity. Over a number of years, I have compared the impacts on parts of local government in Scotland as I waited annually to see what settlement my former council got. We have been very fortunate in Scotland, because the cuts to local government have not been as severe as in England. The Scottish Government have done everything possible to protect local government's share of the Scottish budget, in line with the levels from 2012-13. Over three years, cuts in Scotland have equated to 6.3%, whereas in England it has been 18.6%. I can only imagine how difficult some of the decisions have been that had to be taken in local authorities in England. Thankfully, the Scottish Government have done what is possible to protect and help local government, because local government is a key part of driving forward any agenda. It is the frontline for most of our communities; it is the first contact that most people have with elected representatives. As a former councillor, I think that we should encourage more and more people to get involved in it.

The cuts made so far are hitting the most deprived areas hardest, and the cuts that are to come will do the same. The Joseph Rowntree Foundation identified that the scale of cuts in England is greatest in deprived areas and least in the most affluent. According to the foundation, the largest cuts have been to spending on the most deprived areas, at around £220 per head of population. That is a worrying illustration of the wrong priorities being followed by the Government. I hope that over time, we can persuade, cajole and push to get that changed. Investment in the frontline must continue to ensure that the priorities of any Government can be delivered. Thankfully, the Scottish Government's action

has ensured that local government budgets have been protected, and they are doing everything possible to tackle inequality.

In Scotland, the SNP and the Scottish Government have not taken a position on elected mayors, and we do not feel that the case has been made yet. Ultimately, to come back to the theme of many contributions, such a proposal has to come from communities; it cannot be top-down. Any decisions about the future of elected mayors or devolution to other areas, whatever their shape or size, must come from communities. That has to be the first priority.

I have mentioned “Our Islands, Our Future”. In Scotland there has also been the Commission on Strengthening Local Democracy, which the Convention of Scottish Local Authorities developed with civic society, local government and the Scottish Government. The commission looked at what measures could be taken and what avenues could be explored for further devolution of powers to local government and then on to local communities. I commend the commission’s report to any Member who is interested. It is fascinating reading, and it is a great example of how to take forward ideas for devolution to local authorities from a community level.

**Mike Kane:** The SNP, from what we have seen, has had a massive centralising effect in Holyrood. Take the Police Service of Scotland, which it has effectively nationalised. If we talk to colleagues in Glasgow and other cities, we find that they have felt excluded by the SNP Government at Holyrood from the decision-making process in Scotland.

**Owen Thompson:** I am delighted that someone has given me the opportunity to bring this up, because it is a common misconception. The SNP Scottish Government have done more to pass decision making, accountability and authority to local authorities, rather than taking it in to a central point.

The hon. Gentleman gave the example of the police and fire services. I was a member of Midlothian Council for almost 10 years, and from 2007 to 2012—before the single police and fire forces—Midlothian Council got two representatives on the Lothian and Borders police board and fire board. There was no scope for anyone in opposition to have any say whatsoever. Now that we have a single force, each local authority has its own police and fire scrutiny set-up, which includes six members of our authority and other partners who can scrutinise and challenge the police and fire service. There is far more local accountability of police and fire services than ever. Sadly, in Midlothian, two of our Labour colleagues do not take up the current opportunities. To me, this is a far better means of local decision making.

**Alison Thewliss** (Glasgow Central) (SNP): In my experience on the Strathclyde fire board, when members—regardless of whether they were from Labour or the SNP—attempted to raise local issues, it was thrown back at us that the fire board was not the appropriate place to raise local issues. Does my hon. Friend share that experience?

**Owen Thompson:** Very much so. I have seen decisions being taken by the bigger regional bodies, as a small part of what they do, and the large city authority would

always get its way, no matter what anyone wanted. Rather than centralisation, there has been far more local decision making and input.

2.34 pm

**Mr Steve Reed** (Croydon North) (Lab): It is a pleasure to serve under your chairmanship, Mr Brady. I congratulate my hon. Friend the Member for Coventry South (Mr Cunningham) on securing this important and timely debate, and I thank the many Members who have made significant contributions. I hope that the Minister has listened carefully to what they have had to say, and I look forward to his response to their points.

We have heard this afternoon about the huge benefits that can flow from devolution when it is done properly and with sensitivity to the needs of the regions to which it is applied. We have heard about the benefits for economic growth, jobs, skills, health and housing. We have heard how much better and more efficient almost all the services that have historically been controlled from the centre in Whitehall can be if there is more control in the hands of local people and if decisions are taken closer to the people whom they affect.

My party and I would like more ambition from the Government over devolution. We would like devolution by default, so that things are devolved to a more local level unless compelling reasons are raised, here or in the communities that will be affected, why they should not be. Devolution should be on offer to every part of England, not only to parts of it. That is why there is so much frustration in the House and beyond about the fact that the Chancellor insists on doing one-off deals behind closed doors without opening up the conversation to the areas and communities that will be affected by the decisions.

My hon. Friend the Member for Wolverhampton North East (Emma Reynolds), the shadow Secretary of State, has called for more ambitious devolution to every part of the country. That means that there should be no one-size-fits all approach. Too much of what the Government are offering consists of trying to squeeze everything into boxes of the same shape. Hon. Members have focused on the unique characteristics of the west midlands in particular, and of the other regions that have been discussed. They have concentrated on the need for any devolution offer to fit the characteristics and priorities of the local area. No area can be left behind. We need a much more open approach from the Government about what is on offer and under what circumstances.

We have not heard so much about towns and counties, but they cannot be left behind. I fear that that is what will happen if the Government make mayors a condition of devolution, however. A mayor for a large county region would feel entirely inappropriate to its residents, who may not feel the necessary commonality or identify in such a way as to make a mayoral model work.

On the question of mayors more widely, I hope that the Minister will explain why some areas will get new powers only if they accept a mayor. I hope he will explain why his idea of localism involves telling local areas how they will be governed. Taking decisions from the centre, imposing those decisions on localities and telling them that it is localist does not feel very localist to those on the receiving end.



**Mr Jim Cunningham:** Many years ago, I used to chair the seven districts. For people who do not know what I mean by that, it was seven local authorities that worked together. If we had not been able to work in that way, we would not have had Hams Hall, because we had an issue about it with British Rail at the time. If it had not been developed, freight would have gone up north and no investment would have gone to the midlands. Birmingham airport was another area that we developed. The point I am trying to make is that we do not need an elected mayor to do things like that.

**Mr Reed:** My hon. Friend's comments emphasise the fact that discretion over the model of governance should be in the hands of the local community and the local area affected, not in the hands of a Minister who takes such decisions centrally here in Whitehall. That is not just a Labour view. The cross-party Local Government Association, which is currently led by a Conservative, believes:

"People should be free to choose the appropriate model of governance for their community."

In reality, however, the Government claim to be committed to devolution but insist on telling communities how they will be run and governed. There is a clear contradiction in that, which I hope that the Minister will resolve for us.

**Mark Pawsey:** I beg the hon. Gentleman's indulgence in pursuing the local issue raised by the hon. Member for Coventry North West (Mr Robinson). We are talking about local people having the right to make the decision, and I want to dwell on what is best for Coventry. I argue that Coventry would best be served by working with Warwickshire, just as the two areas have come together under the local enterprise partnership. I agree with him about the need for more time, because Coventry seems to be in a rush to join the combined authority. Does the shadow Minister agree that there needs to be an effective discussion in Coventry and Warwickshire about the merits of a Coventry and Warwickshire solution, rather than Coventry leaping into the combined authority?

**Mr Reed:** My view of localism is that that decision should be debated and determined locally, rather than by politicians here in Whitehall.

Just three years ago, which is not so long, the Government defended having referendums on metro mayors because "it ensures local people ultimately decide".

What has changed in the intervening three years for the Minister to stand up and say the polar opposite, as I suspect he will today? It might be because most of the areas that were asked whether they wanted a metro mayor voted not to have one and the Government now wish to override those democratic decisions, but it might also be because the Government are looking for a political fix to advantage their own side. The Government have seen how people voted in many of the great conurbations across the country and how few Conservative councillors are being elected, and they are clinging to the hope that, if they are able to impose a mayor, there will be at least one last chance to get some Conservative control over areas that have consistently rejected local Conservative rule.

Finally, devolution will not work if resources are not devolved along with decision making so that local people are able properly to exercise their powers. The areas that have been identified for the first round of devolution

tend to be those that have suffered the greatest cuts, and there is a fear in those areas that they are being set up to fail, although they welcome devolution. The Government are centralising funding decisions in Whitehall but seeking to localise the blame for cuts on the combined authorities or localities where decisions will be taken on how those cuts are to be implemented. An important opportunity is coming up in the spending review for the new Secretary of State to change course and protect those communities, given that they have already borne the brunt of the national cuts made by Departments over recent years.

I invite the Minister to explain why he will not end the "Whitehall knows best" culture and let local areas choose how they want to be governed, and why he will not stop putting artificial barriers in the way of devolution where local areas want it and where it would offer many benefits.

2.42 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** It is a pleasure to serve under your chairmanship, Mr Brady. I congratulate the hon. Member for Coventry South (Mr Cunningham) on securing this debate. Members have raised a number of important points about the future of local government and our plans for devolving functions and powers to those who seek them.

In his speech to the Local Government Association annual conference last week, the Secretary of State for Communities and Local Government clearly said that

"local government has the ability to transform the prospects not just of our cities, towns, counties and districts, but of our whole country; that powers annexed by central government over decades should be returned to local government; and that the time for that change is now."

We have made it clear that that is the case. The Cities and Local Government Devolution Bill will, once enacted, establish the primary legislative framework to allow unprecedented devolution across the country and reverse 150 years of centralisation. Over the years, powers and functions have become more centralised. I am sure we can agree that that is not sustainable and that we must re-engage with our towns, cities, councils, districts and urban and rural areas. We began that process in 2010 through our decentralisation programme. We supported the development of local enterprise partnerships, concluded city deals with 27 cities and took £12 billion out of Whitehall and put it in the hands of local people through growth deals, thereby giving local areas more control to drive their own growth.

The devolution deal agreed with Greater Manchester will also give local people greater control over their economy and powers over transport, housing, planning and policing. Greater Manchester has agreed to a directly elected mayor, who will be responsible for exercising key functions such as housing investment and strategic planning. The directly elected mayor will also exercise police and crime commissioner responsibilities for the Greater Manchester area and chair the combined authority.

**Colleen Fletcher:** The hon. Member for Solihull (Julian Knight) said that, if substantial resources and money are devolved to combined authorities, one person, an elected metro mayor, should be accountable. What is the tipping point? A combined authority will be forced to introduce an elected metro mayor after taking on what additional powers?

**Mr Jones:** The important point that a number of right hon. and hon. Members have missed is that it is for local authorities and areas that seek devolution to make proposals. The amount of democratic accountability that the Chancellor seeks will be determined by an area's level of ambition, and the deal going through at the moment is an example.

Concerns have been expressed about what is seen as the imposition of metro mayors, to which the hon. Lady alludes. In 2012, a number of cities, including Coventry, voted against introducing a directly elected mayor. I wish to make it clear that, to be successful, decentralisation must be about not only devolving powers and budgets but having the necessary leadership in each place, which brings me back to my point. We need governance and accountability so that powers can be exercised properly and effectively, for the benefit of all.

Mayoral governance is an internationally proven model of governance for cities. Hence, as the Chancellor has made clear, we will devolve major powers only to cities that choose to have an elected metro mayor, but the Chancellor has also made it clear that we will not impose a metro mayor on anyone. Our Bill therefore provides for metro mayors while also making provision for devolution and governance changes in circumstances where a metro mayor is not seen as an appropriate governance arrangement. The Bill allows for local governance to be simplified, but only with the consent of affected councils and the approval of both Houses.

The crucial point is that all of the Bill's provisions are to be used in the context of deals between the Government and places; nothing is being imposed. I reiterate that where there is a request for the ambitious devolution of a suite of powers to a combined authority, there must be a metro mayor, but no city will be forced to take on those powers or to have a metro mayor, just as no county will be forced to make any governance changes.

In that context, I congratulate the seven metropolitan councils of the west midlands on the launch of their statement of intent to establish a combined authority, which is the first stage in a process of consultation and engagement with other councils in the area. We welcome that development, and we are determined to hand as much power as possible to places with a clear, strongly led plan. With their proposal, the seven west midlands councils are showing what can be achieved by working together to bring greater opportunity to their area. We look forward to working with them as they develop their proposals.

In yesterday's Budget—this answers a point raised by several hon. Members—the Chancellor strongly welcomed the statement of intent for devolution in the west midlands, which he sees as a proposal for a strong and coherent west midlands combined authority. He has shown great ambition for the midlands, and he sees the “midlands engine” as an integral part of the Government's long-term economic plan.

**Mark Pawsey:** The Minister is making a strong case for the urban areas of the west midlands to come together. It is a big engine and could be a powerhouse of development. May I tempt him to comment on the appropriateness of shire counties on the periphery of such an urban area being involved? Should they, too, be pulled into that move?

**Mr Jones:** Locally elected leaders and members must decide whether they want to be part of any particular configuration of combined authorities. It is for local people to put proposals to us in the Department, rather than having a top-down solution imposed on a county area such as my hon. Friend mentions.

I will respond to some of the points that the hon. Member for Coventry South made. My hon. Friend the Member for Torbay (Kevin Foster) hit the nail on the head—the principle of combined authorities is perhaps being confused a little. Many people want to paint it as an amalgamation of councils and their current governance arrangements. Actually, we are talking not about breaking down the structure of the authorities in the west midlands but about devolving the additional powers that those authorities are seeking. My hon. Friend the Member for Solihull (Julian Knight) made that very point.

On whether the west midlands will have a mayor, as I said, that is a bottom-up process. It is for the west midlands to come forward and tell us the level of its ambition. It has set out an initial document, but it is early days. It was implied in the debate that the Government are leaving the west midlands behind. That is certainly not the case, and we are encouraging people from across the west midlands and the wider midlands area to think about how power can be devolved. As I said, my right hon. Friend the Chancellor made it clear in his Budget that he welcomed the initial work being done in the west midlands.

The hon. Member for Coventry South mentioned the devolution arrangements that were previously made for the west midlands. Those arrangements were made many years ago, but funding and powers to carry out the projects that he mentioned were never directly devolved. They were very much directed by central Government, which is why the scenario being suggested now is different.

**Mr Jim Cunningham:** I think the Minister is referring to the metropolitan council, which I mentioned earlier. That was funded by grants and a precept; I do not know whether he was around then. I refer back to my question to him earlier—if we went ahead with the arrangements that the Government want, would the authority have the power to levy a precept on local authorities?

**Mr Jones:** What the hon. Gentleman refers to is not necessarily the situation that we are discussing. We are considering authorities coming together and taking additional powers and funding from the Government; we are not considering adding to the precept that people will have to pay.

My hon. Friend the Member for Cleethorpes (Martin Vickers) said, I think, that we should go for the jugular. I am afraid I must disappoint him. We are not into top-down solutions; we are very much into bottom-up solutions and local areas coming together to put their packages of ideas to the Government.

The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) was looking for a game-changing deal for the west midlands. If that is what he is looking for as a local MP, I urge him to speak to his local leaders and encourage them to put forward a game-changing package to the Government. As I said, local areas must bring solutions to the Government, not the other way around. We would welcome an ambitious package from the west midlands, because we want it to move forward.

[*Mr Marcus Jones*]

I must disagree with the right hon. Gentleman's assessment of the west midlands; I think that it is a place on the up. Things are going in the right direction. Unemployment is decreasing, and £5.2 billion in funding for infrastructure is going into the region at the moment. I was glad that my hon. Friend the Member for Solihull backed up that view and was willing to speak up for the west midlands and shout about our achievements in the area. He also mentioned, with some enthusiasm, that he would support such devolution arrangements if they were ambitious and related to skills, infrastructure and the like. That seems to be the type of proposal coming from the west midlands, which I hope will please him.

I was slightly disappointed by the tone of the hon. Member for Salford and Eccles (Rebecca Long Bailey); it did not seem to correlate with the tone of local authority leaders in her area, which is extremely positive. She asked about the structure of health services and how they would work. That will come from her local area in the proposals that it is making to the Government. Obviously there will be a negotiation process with officials and Ministers; the Secretaries of State for Communities and Local Government and for Health must both be satisfied that the arrangements are strong on accountability. On whether mayors are elected and how much credibility they will have, the hon. Lady will know that although they will be appointed on an interim basis, they will have to stand for election at the end of that period.

**Mr Geoffrey Robinson:** It is still not clear to what extent an elected mayor is an absolute precondition. The Minister mentioned the key phrase "additional funding". That is what it all seems to be about. In a period of tight local government expenditure—everybody in the House accepts that—the Government are promising additional funding if local authorities come together as single authorities and if we have a metro mayor. Can

the Minister confirm that the Chancellor and the Secretary of State for Business, Innovation and Skills are open to considering alternative interim accounting authorities rather than metro mayors, while still making the additional responsibilities and funding available on an interim basis as we bring the authorities together and work out a sensible, workable, long-term solution—on the basis of a metro mayor if necessary?

**Mr Jones:** As I said, it is clear that if the west midlands want to put together a package as extensive as Manchester's, for example, it will certainly need a metro mayor. I think local leaders realise that if the west midlands is to be as ambitious as the right hon. Member for Birmingham, Hodge Hill wants, a metro mayor is required. However, it is up to them to decide exactly what they want in that sense.

It was interesting that the hon. Member for Coventry North West (Mr Robinson) mentioned that he wants things to be bottom-up. They certainly will be, so I am sure that he will be glad that his party is not in government, because it seems to want to impose a situation on local areas by making them come together.

I was heartened by the enthusiasm of the hon. Member for Wythenshawe and Sale East (Mike Kane), who seems to be on the same page as the enthusiastic cross-party leaders in Manchester. I welcome his comments, and I pay tribute to the leaders who are coming together to take forward an ambitious devolution deal.

I say the Opposition Front-Bench spokesman, the hon. Member for Croydon North (Mr Reed), that this is certainly not a one-size-fits-all situation. It is for each individual area to come forward with proposals that it thinks suits that area, which the Government can then consider. We need to ensure that in considering any proposals, we consider carefully how governance is managed.

*Motion lapsed (Standing Order No. 10(6)).*



## Immigration

[SIR ALAN MEALE *in the Chair*]

3 pm

**Mr Andrew Turner** (Isle of Wight) (Con): I beg to move,

That this House has considered Government policy on immigration.

Immigration is consistently one of the most important issues for my constituents. I am sure that many other right hon. and hon. Members find that the same is true for theirs. In the next ten minutes or so, I would like to do two things: first, explore the mismanagement of immigration under Labour and, secondly, encourage the Government to tell us about their plans to take back control of the situation.

I would like to mention the boiling frog syndrome—I will explain it for those not familiar. When a frog is dropped in boiling water, it immediately feels the heat and jumps out. That is the natural and instinctive reaction. And yet if one puts a frog in cold water and very gradually raises the temperature to boiling point, the frog will apparently sit quite unknowingly until it dies. I must stress that I have not tried that on myself, but I am sure that it is obvious where the analogy is going. The huge influx of immigrants to our shores did not come all at once. We have a proud history of welcoming foreigners who want to play a positive role in our society, but during the Blair years that changed, and we as a nation did not realise what was happening. When my noble Friend Lord Howard of Lympne was Leader of Her Majesty's Opposition in 2005, he rightly made the point that immigration would be one of the most contentious issues of the coming decade. Hardly anyone listened to him then, and yet how prophetic do his words seem now? Our nation—the metaphoric frog—must jump out of the hot water before it is too late.

Back in 1997, Tony Blair won a huge mandate from the people to govern our country, but he omitted to tell us about his absolute determination to introduce and pursue an aggressive immigration policy, designed to make the UK a multicultural society. Thanks to a certain Mr Andrew Neather, a former Government adviser, we now know the truth. More specifically, he said it was Blair's intention to “rub the Right's nose in diversity”.

In fact, it was not just the right's nose, but the large majority of ordinary people's noses, yet people became afraid to say anything about it. They feared being labelled racist or worse for even raising the issue. That cynical policy was ill thought out and badly planned. People are suffering from a lack of housing and pressure has increased on the NHS, our schools, our transport and roads, and so on. More evidence of Labour's apparent indifference to the people's concerns over immigration came in 2010, when Gordon Brown called Labour supporter Gillian Duffy a “bigoted woman” simply for voicing her concerns. That sort of dismissive and arrogant attitude must stop. We need to shape the debate on immigration so that those who are concerned are not made to feel bigoted or racist. Rather, we need debate, with everybody free to express their honest concerns. I know our Government support that.

Before I continue, I would like to be clear on one thing: just because I believe that our immigration policy is out of control, it does not mean that I am anti-immigrant.

It is my firm belief that many of the hardest working and best contributors to our society are immigrants. I am also aware that many of our public services would simply fall apart without the foreign nationals who work in them. That does not justify an open-door approach. We should welcome those who benefit our society and exclude those who do not.

**Mr David Hanson** (Delyn) (Lab): Could the hon. Gentleman clarify how he proposes to do that if he wants to remain within the European Union?

**Mr Turner:** The Prime Minister is currently negotiating with Europe and Europe must hear what we have to say.

What is a disgrace is the irresponsible manner in which previous Labour Governments allowed immigration to overwhelm our society. When we think of the housing crisis, for instance, we have to look only at past immigration policy to see why it has all gone wrong. The excellent founding chairman of Migration Watch UK, the noble Lord Green of Deddington, made that very point. He said that we simply cannot keep up with the demand for homes required at current levels of immigration. Recently, Fergus Wilson, one of the UK's biggest buy-to-let landlords, said that the only way to address the housing crisis was to build outwards on to greenfield land. I am not a housing expert, but I take what those people say seriously as evidence of mismanaged immigration policy. The blunt fact is that sooner or later this country will run out of space.

**Keith Vaz** (Leicester East) (Lab): I congratulate the hon. Gentleman on securing this important debate. He is right that we should discuss and debate such issues, because they are of concern to people outside this House. He mentions the mismanagement of previous Governments. Some of the reports published by the Select Committee on Home Affairs note that it has happened under successive Governments. The coalition however, in the past five years, failed to meet the net migration figure. Why does he think that happened?

**Mr Turner:** That happened because we had a coalition. A coalition cannot deliver what one party the other wants.

No system is in place to ensure that the UK can cope with the number of people moving here. People are coming from Europe and the rest of the world. Our relationship with the EU has effectively taken away our ability to decide who lives in this country. EU migration inflow is considerably larger than our outflow. In 2013, net EU immigration was, according to the Library, 123,000.

The second aspect of our border controls is how we deal people from the rest of the world. That is something that we should be able to control in pretty quick order, yet in 2013, a net number of 143,000 people came to live here from outside the EU. Until recently, those figures were much larger. Throughout the years of Blair's Labour Government, around 200,000 non-EU citizens came to live in the UK each and every year. It is only since 2012, under a Conservative-led Government, that have we seen any drop in numbers at all. We still have over 250,000 people in total settling here every year. That is far too high.

[Mr Andrew Turner]

From 1997 to 2009, enough people to fill Birmingham two and a half times over arrived on our shores to live here permanently. Now, in 2015, it looks as if we will need three and a half new Birmingham. We have seen the rise of parties such as UKIP, which won 3.5 million votes, even if only one seat. That is evidence of how important the electorate consider this issue to be.

So far, there is no clear plan on how to reduce net EU migration. My right hon. Friend the Prime Minister's hopes of achieving meaningful change in the EU appear optimistic at best, although we certainly wish him success. Under the last, Conservative-led Government, there were notable successes, as well as one or two notable failures, on non-EU migration. The number of skilled economic migrants from outside Europe was capped at 20,000 per year, but what is happening about others from outside Europe, whose numbers amounted to more than 120,000 in 2013?

There was an outcry when the tier 1 post-study work visa was scrapped. It was said that businesses would not cope, but the sky has not actually fallen in. Foreign graduates must now simply find a graduate-level job to stay here. Before 2012, 50,000 foreign graduates were working in shops and bars and doing other non-graduate work every year. In the first full year after the rules changed, however, only 4,000 found work that qualified them to stay. It was a complete myth that businesses were desperate to employ them all. We also need to clamp down much harder on benefit and health tourism, for EU and non-EU nationals alike.

I have not called the debate simply to complain about the past or to call for the Government to do more. While I applaud the successful efforts of the coalition, and now the Conservative Government, to reduce the number of people coming here from outside Europe, there is still a long way to go. As for EU migrants, little can be done without major constitutional change—and that must come. If it does not, I fear that the numbers coming from the EU will rise inexorably year after year, confounding all efforts to cap immigration at the tens of thousands, which is our aim. That was our manifesto commitment, and now that we are not yoked to the Liberal Democrats, we must act on it.

I know the Government recognise the problem. Putting right years of Labour failure is not easy, but I hope my right hon. Friend the Minister will take this opportunity to tell my constituents, and indeed people across the country, what plans he has to make our ambitions a reality.

3.13 pm

**Keith Vaz** (Leicester East) (Lab): It is a huge pleasure after all these years to serve under your chairmanship for the first time, Sir Alan, given that we were elected to the House together and that we both represent the east midlands.

As I said in my intervention, I congratulate the hon. Member for Isle of Wight (Mr Turner) on securing the debate. It is extremely important that the House discusses immigration. We should not be afraid to do so and we should do it openly and transparently. It was good to hear his thoughts about this important subject. After the economy, immigration is the second or third most important issue in all the opinion polls. If we do not

discuss it openly and transparently in the House, others will discuss it outside and accuse us of being afraid to do so.

Let me also say how pleased I am that some things never change. Before the election, the Minister was the Minister for Immigration; the shadow Minister, my right hon. Friend the Member for Delyn (Mr Hanson), was the shadow Minister for Immigration; and I was the Chair of the Home Affairs Committee—it seems that nothing changes in this place. I congratulate both on their reappointments, and particularly the Minister, who has been the Immigration Minister for five years. It is rare that an Immigration Minister comes back after a general election, but he was obviously doing something that impressed the Prime Minister, so congratulations to him on being back.

Among other colleagues, I am also pleased to see the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), who is the newest member of the Home Affairs Committee. His membership is just a few hours old, because the names of the Committee's members went through the House only at 7 pm last night. As a former immigration solicitor, he will, I am sure, make a huge contribution to the Committee's work.

I wanted to take part in the debate to remind the hon. Member for Isle of Wight, and the House, that the Committee takes a keen interest in immigration. Even though immigration policy is a hot and controversial subject, we have made it our business to ensure that at least a quarter of our work looks at it. Given the issues the hon. Gentleman has raised, I want briefly to set out those we intend to look at, and I hope he will be pleased to hear that Parliament, through the Committee, is eager to explore them all carefully.

Indeed, the Committee's first evidence session will take place next Tuesday, even though the names of its members went before the House only yesterday. Our first star and principal witness is the Minister for Immigration. One issue we will look at immediately is Calais. I was there last Saturday, when I saw for myself the sense of crisis gripping the town. During my trip, I also saw the worry that is felt by many people, including those who run Eurotunnel, those involved in the road haulage industry, the police and the people of Kent.

My sympathy is also with the people of Calais. They did not ask to have a large number of migrants, but those migrants are there, and they have just one ambition: to cross the channel and to live and work in the United Kingdom. Nobody mentioned the Isle of Wight to me, so the hon. Gentleman does not need to be quite so worried. However, all the migrants said they were in Calais to come to this country. The authorities there believe they are coming here to participate in our generous benefits system, so, in the few conversations I had with migrants, I told them they were in for a shock—and that, of course, was before yesterday's Budget.

These are important issues. Illegal migration is partly to do with economic migration, but it is also to do with people being desperate to escape the conflicts in the middle east. A week before going to Calais, I was in Rome because another issue that will confront the Committee, and into which we will shortly announce an inquiry, is the migration crisis gripping the Mediterranean. People are prepared to risk dying in the Mediterranean

to get from north Africa to mainland Europe, but the members of the European Union seem unable to act together to deal with this serious problem.

In the migrants' camp in Rome, which is just near the main railway station, I met Ali, who told me he had paid \$5,000 to a person who trafficked him from Eritrea right across north Africa to Libya, where he was put on a boat at gunpoint. Even though he had paid the money, he did not want to get into that particular boat, but he was forced. The boat went to Lampedusa, and Ali eventually ended up in Rome. Criminal gangs operating in north Africa are forcing people at gunpoint to put their lives at risk. People have a choice: they either try to cross the Mediterranean, and perhaps die there, or they stay in north Africa and get shot by the people traffickers. What they are clear about is that they do not want to stay in their countries, because their countries are ravaged by war.

There is not a simple answer to the question how we are to deal with the issue. It is not as simple as saying, "We just don't let them in," because the fact is once they arrive at Calais people will do everything they can to get to Britain. I saw the footage of 150 migrants who ran across the tracks to get into freight lorries as they set out at the channel tunnel. I heard, as I am sure other Members of the House did, about the young man who died only two days ago while jumping on to a freight train as it left Coquelles. I heard about the 14 individuals found in a refrigerated container, who had made the journey from Somalia—some had come from Nigeria and some from Afghanistan. They were about to set off from Calais when someone shouted "Hurray!" because they heard the train moving. It was stopped and the container was opened, and those 14 people were found. They had been given a few coats, but some of them clearly would not have made it through their journey across the channel because it was so cold in there.

Those are true stories, about real people. Parliament, with our commitment to a fair and firm immigration policy, but also with our international obligations, needs to find the right balance, and those with the responsibility to stop illegal migration need to take on that responsibility. I firmly believe that we can do that only with the support of the countries of the Maghreb. The Home Secretary announced a taskforce. When I was in Rome, I was informed that that would begin only in November, because several agencies were being brought together. By the time it is put together I am afraid the people traffickers—the criminal gangs—will have found another way. According to the Greek authorities the passage for Syrians is through the Greek islands of Kos and Lesbos into mainland Greece. The United Nations gave me the figure that 60% of those who travel from Syria into Kos have university education. They pay to go there because they want to flee the dangers of Syria.

We also need to realise that we should be careful with our foreign policy. We are very good at phase 1 but pretty awful at phase 2. Phase 1 was to get rid of Gaddafi and Saddam Hussein. However, 92% of the people who cross the Mediterranean—there were 170,000 last year—crossed through Libya. There is no stable Government there, so applications cannot even be processed before people leave. I know that people require simple answers to the humanitarian crisis and the immigration system. We would all like simple answers but it is very complicated.

The solutions that UKIP comes forward with are simplistic and in many cases nonsense. They cannot be put into effect.

The second area that the Select Committee will look at is legal migration. One of the issues is that we try to stop illegals coming in, sometimes successfully and sometimes not. I do not know whether the Mayor of London has changed his view since giving his estimates when he last spoke on the subject, but he said that half a million illegal migrants were working and living in London and he was in favour—a few years ago—of an amnesty to allow them the right to remain in this country. However, when legal routes are cut off, people tend to come here illegally. The right hon. Member for Cities of London and Westminster (Mark Field) has been open, transparent and articulate in talking about the importance of legal migration to this country.

The Committee will consider skills shortages. If the hon. Member for Isle of Wight goes to his high street and speaks to the owners of south Asian restaurants, he will hear complaints about their inability to get specialist chefs into the country. At the conference of the Royal College of Nursing there were complaints that, because of the Government's policy on skills and the tiers of the immigration rules, nurses would not be able to come. The hon. Gentleman paid tribute to the people who have come to contribute to this country as my parents and the parents of other first-generation immigrants did. The fact is that cutting off the legal route and making it more difficult leads to people finding other routes to come in. I am all for ensuring that the legal routes are robust, but they should also be fair.

That is relevant to our policy on students. The Minister will say that we always attract the best and brightest, but all Ministers say that. Why would we want people who were not? Why would we want to encourage people who were stupid, and who were not the best—who were the worst? All Ministers have said the same for my 28 years in the House. I am afraid that as a result of the student policy, the number of students coming from India has declined considerably, even though the number of Chinese students has increased.

**Mr Turner:** Does the right hon. Gentleman think it is fair—to use his word—that the EU should control who comes into this country from the whole of Europe, but that everyone from outside the EU is our responsibility?

**Keith Vaz:** Perhaps I am being unkind to the hon. Gentleman. I do not know his position on the EU. I have never believed that enlargement was wrong. That is partly because, of course, I was Minister for Europe at the time. I do not believe that we should constantly say "mea culpa", and I signed some of the documents that allowed people from Poland, Hungary and other countries in. I think the arrival of the eastern Europeans helped our economy. It boosted it enormously. It was different from migration from south Asia, because people from eastern Europe tend not to stay. They tend to want to go back—it is only two hours to Warsaw—but people from the subcontinent wanted to stay longer and put down roots. That does not apply to the eastern Europeans.

**Mark Field (Cities of London and Westminster) (Con):** I do not disagree that the Polish, Hungarian and Lithuanian migrants from 2004 made a tremendous contribution to the British economy, but we were lulled into a false



[Mark Field]

sense of security and have not ensured that the indigenous population are sufficiently skilled to claim the wages that they desire and that are needed in a globally competitive economy. Much of the debate about that is now being conducted in the context of child tax credits and the Budget. What happened was not an entirely unalloyed good, but I am not blaming either the Government or the employers who lulled themselves into that false sense of security.

**Keith Vaz:** The right hon. Gentleman is right. How many times have we heard that we should deal with shortages of chefs in high street restaurants by opening a training school for them, so that people do not need to go to Dhaka or Sylhet to bring in chefs? We just did not do it, and that is a challenge to our education system. To be fair, that is what he has said all along. If we had the skills here, we would not need to bring in people from abroad.

My final point—this is where I am in total agreement with the hon. Member for Isle of Wight—is on the management of the immigration service under the previous Labour Government and, indeed, the Conservative Government before that. There has been a long period of mismanagement. In my very first campaign, under the last but one Conservative Government, bags of unopened mail were discovered in Lunar House in Croydon. He may remember that. We found that there were about half a million unopened letters from solicitors, MPs and others, and the people at Lunar House just did not bother to open them. That was the first real crisis.

Things have improved in the past five years. They are moving in the right direction with regard to the standard of officials, whether at the old UK Border Agency, at UK Visas and Immigration—particularly the international section—or at Border Force. Things are also moving in the right direction with the structural changes of the past four or five years. Perhaps I may mention that all of those were recommended by the Home Affairs Committee, which had called for the abolition of the UKBA for many years. That is why every three months in the previous Parliament—and we will do this again—we published indicators of how the Home Office has been doing on immigration. How big is the backlog? How long does it take to decide on asylum cases? How many people have been removed? Only 3% of people reported to be working and acting illegally have been removed from the country.

The answer is not to send round vans telling people to leave the country. The answer is to ensure that we have an efficient system in which letters from MPs are replied to quickly and decisions are reached. That is the best thing that the Government and the coalition have done in the past five years. They did it much better than the Labour Government, who did not put enough pressure in Parliament on officials and Ministers. The work is bearing fruit. I say to the Minister—the Committee has already said this in our reports—that if the system is managed better, sometimes it is necessary to say no.

I am also fed up with constituents who come in and say, “I’ve been waiting for a reply from the Home Office.” I ask, “How long have you been waiting?” and they say, “Oh, five years.” I say, “Okay. How long have you been

in the country?” They say, “10 years.” I ask, “Why did you come to this country?” They say, “I came on a visit.” I then ask, “Why are you still here?” Maybe it is the fact that I am getting older that I am getting grumpier, but what I am really grumpy about is when people do not reply to letters. If they do not reply to solicitors’ letters, people come to see MPs. We have to write and we expect a reply.

The Minister was very helpful in a case I brought to him just two days ago—he rang me up very late at night and I was very grateful that he did. You, Sir Alan, will remember the days when MPs used to be able to go to Immigration Ministers about particular cases and say, “Look, this is really a genuine case. Look at it again and I think you will find that this person ought to be allowed in the country or ought to be allowed to stay here.” Unfortunately, those days are gone, because we regularly ask Immigration Ministers how many times they meet MPs to discuss cases and we do not really get replies. I am afraid that that applies to Immigration Ministers in the last Government as well as in this one. Of course, I shall ask the Minister for more meetings with him. As I said, to give him his due when I ring him up and ask him about a problem, he answers or rings back, and that has not happened very often in the past.

Let us look at the management of the system as well. Let us allow people to stay who genuinely should stay, and people who are working the system should be asked to leave. However, let us do so in a reasonably decent time frame. That would give the best possible impression that the Home Office is acting in a proper way.

These are important issues. The Committee will return to them regularly and we will ensure that we produce reports that will be of value to Parliament. Regarding almost all the reports we have produced on immigration, I say to the hon. Member for Isle of Wight that, if he looks at the personalities of those who sit on the Home Affairs Committee, he will see that those Members have almost always been unanimous, because we want common sense and truth on immigration. That is what we really want.

3.31 pm

**Mark Field** (Cities of London and Westminster) (Con): I congratulate my hon. Friend the Member for Isle of Wight (Mr Turner) on securing this debate. As the Minister will be well aware, and as the right hon. Member for Leicester East (Keith Vaz) has pointed out, I have long campaigned for a more nuanced message on immigration, which stresses that the reform of the system is too complex to be judged on our delivery, or otherwise, of headline targets for net migration.

The optimist in me takes it as a partial victory for my managed migration campaign that my party’s immigration target in the manifesto has been downgraded from “pledge” to mere “ambition”, or perhaps—I do not know—it is just the narcissist in me who thinks that way. However, this nation’s economic future depends on our taking the right approach towards those who wish to work, study and contribute here, and a rigid cap has created too many perverse outcomes while also proving ultimately undeliverable.

I will not go over that ground again. Instead, I will talk about two constituency perspectives—quite differing perspectives, it has to be said—on immigration. First,

there is the perspective of the square mile, or the City of London. City business entirely accepts that even skilled immigration cannot be unlimited. There are valid concerns about the displacement of skilled workers from the domestic market, although highly skilled immigrants tend to generate economic activity, which encourages further growth and hence creates employment. Attracting highly skilled people here to the UK, even for very short periods, generates a wider footprint through expenditure on hotels, catering, transport, retail and the like.

I am pleased to note that, after a number of worries were raised about specific visa types for skilled professionals, there is recognition among City firms that substantive changes have been made as a result, and that, as has been pointed out, Home Office officials are happy to engage constructively. For instance, the list of business visitors doing permissible activities now includes internal auditors and people entering the UK to receive corporate training from a third party. The Schengen pilot scheme for Chinese visitors, which was announced by the Chancellor in October 2013, allows selected Chinese travel agents to apply for UK visas by submitting the Schengen visa form, rather than having to make two separate, costly and time-consuming applications. I give credit to the Home Secretary and the Home Office for their work in that regard. Inevitably, that sort of initiative will ensure that the work for agents is reduced, which will lead to more talented and wealthy tourists coming here to the UK and the rest of the Schengen area.

Meanwhile, the electronic visa waiver system for applicants from Kuwait, Oman, Qatar and the United Arab Emirates will facilitate the entry of high-spending Arab nationals, who have the potential to be investors in infrastructure and other areas. I know that that is close to the hearts of the members of the Home Affairs Committee. The prospect of a new category of “entrepreneurial visas” for graduates and the development of a “tech visa” has been welcomed by businesses, particularly in the high-tech sector in the City.

The users of the current system—not only in the financial and professional services sector but across all other areas of business and among those who advise them—remain concerned about its operation. It is vital that this Government are seen to be supporting innovation in IT, animation and filming, life sciences and other areas. Specialists who cannot work here will simply go to other global centres. Projects may follow talent offshore if the talent cannot come to the UK to work on those projects. Efforts should be made to encourage students to remain in the UK post-graduation if they have the technical skills and entrepreneurial talent.

Above all, policy makers need to appreciate that talent, capital and spending power are highly mobile, and will only become more mobile as the 21st century progresses. There is a perception in some quarters that the UK is not open for business. Bad experiences, even if they affect only a very small number of people, become news and established perceptions. The right hon. Member for Leicester East, the Chairman of the Select Committee, rightly pointed out that in India, bad experience is now progressing from students to other would-be visa holders. I am afraid the current perception of the UK in many areas is not as positive as it should be if the UK is to be seen as an outward-looking global trading nation.

My second constituency issue shows just how varied my constituency is. I know that it is perhaps the perception of many colleagues, particularly in Labour and the Scottish National party, that the streets of my constituency—the Cities of London and Westminster—are entirely paved with gold. Nothing could be further from the truth. My constituency is much more mixed than one might imagine, and I implore the Minister to give special attention, if possible, to what I am about to say.

Many right hon. and hon. Friends here in Westminster Hall today will know that, a week before the service to commemorate the 10-year anniversary of the 7/7 bombings, the Hyde Park memorial to the 52 victims, which is within a mile of where we are today, was being used as a makeshift camp by a group of Roma migrants who had arrived in London. They were here legally but had come to engage in yet another summer of illegal street activity.

Unfortunately, that was merely the most high-profile example of a pretty miserable phenomenon that has plagued my central London constituency for the past few years as a result of the current EU rules on freedom of movement. Under those rules, EU nationals are permitted to enter the UK and remain here for 90 days before exercising what are regarded as their “treaty rights”. In that time, they can broadly do as they wish, because police have to build up a detailed case against them if they are to be successfully deported. Of course, that is time-consuming for officers, and also potentially difficult when homelessness, littering and antisocial behaviour do not always cross the threshold into outright illegality, and when any criminality that is engaged in, such as aggressive begging and pick-pocketing, is considered “low level” in comparison with other central London problems.

Of course, that places the burden upon Westminster City Council and the local policing teams, who therefore have rather fewer tools at their disposal than they need to tackle the real problem that those migrants create. It is not only a problem for my residential constituents but for the terrific number of people who work in or visit London.

Throughout the year but, I am afraid to say, particularly during the summer months, my constituents send me literally daily reports of such migrants aggressively begging, littering, defecating and urinating in public, and sleeping rough on the streets of our capital city. That is undoubtedly the case, as many people will already know. The tunnels around Hyde Park tube station and the fountains of Marble Arch are particular problem areas, with the result that those prime tourist sites are being turned into disgusting eyesores and public health hazards. The problems are not confined to those sites. Local primary schools, churches and many quiet residential streets are regularly plagued by them.

I am sure the Minister will accept that that situation is entirely unacceptable and that residents and visitors alike have every right to question the competence and the authority of local and central Government when they are seemingly unable to find a lasting solution to such problems. Frankly, it is embarrassing to have to advise my own constituents that there is a limit to what the local authority, police and central Government can do. Tourists are left with an impression that our country is leaving the vulnerable to fend for themselves on the streets, and that we have a chaotic approach to maintaining order.

[Mark Field]

As we all know locally, that is not the case. Those groups of people are often in London as part of deliberate, lucrative organised criminal gangs from eastern Europe. I am a great supporter of our continued membership of the European Union—one area where I may disagree with my hon. Friend the Member for Isle of Wight—and I am also liberally minded on immigration policy towards skilled, non-EU migrants who come here. None the less, I believe the problem I have just mentioned requires tough action at European level, and should be formally incorporated into the ongoing renegotiation of Britain's membership of the EU. There should be a particular focus on the current inability of authorities to deal with those people who come to the UK, or those who leave and go to another member state, intent only on committing persistent, low-level crime, with no intent to make any economic contribution to the country to which they go.

One powerful way of addressing the problem would be to reduce or eliminate entirely the 90-day window of opportunity for such people to exercise their so-called treaty rights, within which they are able to commit crime or anti-social behaviour without any significant redress. It would also be helpful if individuals who were previously administratively removed but sought to re-enter the UK were able to prove that they would be exercising their treaty rights—for instance by showing either an offer of employment or evidence of residence.

On the domestic level, I should like to see the “deport first, appeal later” principle in the Immigration Act 2014 built upon by broadening the scope for administrative removal or deportation, with cumulative impact of behaviour to be considered in relation to all convictions for low-level criminality or antisocial behaviour. That could incentivise police to take more proactive action against repeat offenders who make the lives of others such a misery. Meanwhile, we could also make improvements to our border control by ensuring that those entering the UK legally, but who intend to engage in the sort of negative activity I mentioned, can be properly held to account by the authorities.

Regarding the 90-day window, the clock does not start running until someone's first interaction with a UK authority or agency, such as a policing team checking the papers of those sleeping in Hyde Park. The clock should instead start at the point of entry into the UK. During that border interaction, those migrants could be provided with information on the new employment enforcement agency and the implications of not securing legitimate employment here in the UK.

The plague of aggressive begging, littering, antisocial behaviour and rough sleeping that we are witnessing in my constituency from eastern European migrants—I am afraid it has to be said that it is predominantly Romanian Roma migrants—highlights the impotence of sovereign Governments and becomes the kind of problem that alienates citizens who might otherwise be supportive, not just of continued membership of the EU, but of the co-operation that EU membership should rightly bring with it. This is deeply regrettable, not just for that reason, but because it is unfair to all those hard-working EU migrants living in the UK—and there are many in my constituency—whose reputation is, bit by bit, damaged by that deeply negative activity.

I reiterate that the great majority of Romanians and Bulgarians who come to this country are doing so for the right reasons. They are working hard. Many are working incredibly long hours in the sorts of jobs that many indigenous British people would not wish to undertake. We should congratulate them on trying to make the best life for themselves and their children. Many may stay in this country in the long term and many will therefore be a great credit to us. It is important to state that I should like to see this additional power clamping down only on this significant, high-profile minority.

The problems need sustained attention at the highest level of Government. I ask both that potential restrictions on the 90-day rule are incorporated into our renegotiations, and that in a domestic context we look more closely and imminently at ensuring that police and local authorities have the right toolkit for properly tackling those matters on the ground.

3.44 pm

**Joanna Cherry** (Edinburgh South West) (SNP): It is a pleasure to serve under your chairmanship, Sir Alan. Although we may have different views on immigration, I congratulate the hon. Member for Isle of Wight (Mr Turner) on securing a debate on this important issue, which has been largely left to lie since the start of the new Parliament. It is important that we discuss these matters even if we have diverse views about them.

I listened carefully to the hon. Gentleman. He talked about a failure to listen to those who warned in the past about the problems of immigration. He was particularly critical of the Blair Government's pro-immigration and multicultural policy and spoke of them rubbing the right's nose in diversity. The Scottish National party will always be happy to help the Labour party to rub the right's nose in diversity. However, I do not wish to be too facetious about this matter, because I realise that there are serious problems to be discussed. The hon. Gentleman highlighted that perhaps there is a lack of infrastructure planning. Although I come from Scotland, I am aware that there are problems, particularly in the south-east of England, relating to crowding and demands on public services. However, my party might find a different way to address those problems than the Conservative party.

The hon. Gentleman is concerned about the inflow from the EU and problems that it brings. In that respect, he describes a problem that is not really known to Scotland. I will say a little bit about the Scottish take on immigration, or at least the take of my party and those who voted for us.

The right hon. Member for Leicester East (Keith Vaz) spoke about the importance of discussing immigration and the fact that it is the second or third most important issue that comes up in opinion polls. Since arriving at Westminster, I have had many interesting conversations with hon. Members from other parties. Those in the Conservative party particularly tell me that immigration came up on the doorstep constantly during the election campaign. That is not the position in Scotland: perhaps it reflects the fact that we face different challenges.

The SNP wishes to put forward a very different voice on immigration. I am pleased that the right hon. Gentleman welcomed my hon. Friend the Member for Cumbernauld,



Kilsyth and Kirkintilloch East (Stuart C. McDonald) to the Chamber: his experience as immigration lawyer has helped me greatly in preparing to speak today.

The right hon. Gentleman spoke about the important issues that his Committee will be considering in the coming session. On problems of illegal migration, he spoke movingly about the experiences of those caught up in the Calais and Mediterranean crises, and the Syrian situation. He made an important point: we must be forward-thinking in our foreign policy planning to try to mitigate those problems in future. He also emphasised that his Committee will consider legal migration. He spoke fairly, giving some credit to the Government for moving some things forward on how matters are dealt with. My party would argue that there is still quite a long way to go on that front.

The right hon. Member for Cities of London and Westminster (Mark Field) spoke of his desire for a more nuanced approach. I listened with great interest to what he said. He made the point that the future of this nation—I would say, this United Kingdom of nations—depends on taking the right approach to immigration. I will mention that when talking about what is happening in Scotland. He gave us two interesting perspectives on his constituency: one based on the City and one based on problems, which he graphically described, caused by a minority of migrants. He was fair and keen to stress that the majority of migrants come to this country for the right reasons and to work hard.

I wish to make some comments about the Scottish National party's perspective on the problems of immigration. We welcome the benefits that migration can bring, particularly to the people who have migrated here, who bring much to our country, culturally and economically. That is not to say that we do not recognise that immigration presents significant challenges, but we do not regard the solution to those as anti-immigrant rhetoric or pursuing ever more restrictive immigration rules and laws. While acknowledging that effective immigration controls are important, the simple starting point for the Scottish National party is that Scotland needs an immigration policy suited to its specific circumstances and needs. The Westminster Government's policy for the whole of the UK is heavily influenced by conditions in the south-east of England. Our needs in Scotland are different, but we recognise that we are not alone in the UK in saying that. Healthy population growth is vital for Scotland's economy. Our Scottish Government economic strategy sets out a target:

"To match average European (EU15) population growth over the period from 2007 to 2017...Supported by increased healthy life expectancy in Scotland over this period".

In the longer term, Scotland's projected population growth is significantly slower than England's. Our working age population is comparatively low and our population of over-65s is set to rise dramatically. Like other western European countries, we face demographic challenges, and migration can be part of the solution to the challenges we face in Scotland.

I want to address three matters from a Scottish angle: the post-study work visa, refugees and family migration. On the post-study work visa, we are keen to see Government policy reflect Scotland's needs through the reintroduction of a form of post-study work visa, which was abolished in 2012. That would encourage more talented people from around the world to further their education in

Scotland, providing income for Scotland's education institutions and contributing to the local economy and community diversity. Allowing students who have been educated in Scotland to spend two years working here after their studies would allow them to contribute further to our economy and society.

As Members may know, the Smith commission report highlighted that as an area the Scottish and UK Governments should explore together. I am pleased to say that the external affairs Minister of the Scottish Government, Humza Yousaf, has put together a cross-party group to explore that issue, including more detailed proposals about how such a visa could work. I am sure that the UK Government and the Minister for Immigration will look carefully and sympathetically at the proposals that are developed.

**Keith Vaz:** I congratulate the hon. and learned Lady on being appointed as a spokesperson. I said that nothing has changed since the previous Parliament, but she has changed it all since she was appointed as spokesperson. One of the reasons advanced by the coalition Government for taking away post-study work visas was that there were examples of abuse. The previous Immigration Minister kept going on about the case of someone who was doing a PhD and was found working at the checkout in Tesco. That became an iconic symbol of what was wrong with the visa. Does the hon. and learned Lady agree that the visa can be restored with proper conditions, so that people do that work and not other work? There is no reason why it cannot be made to work as it is intended. People come and study here because they want the chance of working after their degree is over.

**Joanna Cherry:** I agree with the right hon. Gentleman. A lot has changed since the previous Parliament, but that is of course not exclusively down to me. There are 56 Scottish National party Members of Parliament, and we bring a different perspective. In the short time that I have been an MP, I have had constituents coming to see me who are facing the problem of not being able to stay in Scotland because of the lack of the visa. They have very much to offer the Scottish economy, including ideas and entrepreneurialism.

On refugees, we are keen to emphasise, as we have indicated in contributions in the House, that immigration policy cannot exclusively be driven by economic national self-interest and that there has to be a humanitarian approach. We are concerned that the situation in Syria is, as the United Nations described it, "the great tragedy of this century".

We are concerned that the UK is not properly facing up to its obligations. We would like to see the United Kingdom take more refugees from Syria and play its part in resettling refugees who have flooded Syria's neighbours. The SNP will continue to press the Government to commit to the resettlement of far more significant numbers than the 187 that have been offered shelter here under the vulnerable persons scheme. Quite simply, the UK is being put to shame by countries such as Germany, which has offered 35,000 places, Norway, which has offered 9,000, and Switzerland, which has offered 4,700. We would like the UK to hark back to its previously proud tradition of taking refugees in crises such as this and for the Government to revisit their position.

[Joanna Cherry]

I am conscious of not overrunning my time, so I will try to keep my comments brief on family migration. The SNP objects to recent rules that say that only those earning over £18,600 can exercise the right to bring non-EU spouses to the country. We consider that to be a problem because in many parts of the UK, average earnings fall well short of that minimum requirement. Some 43% of Scots could not afford to sponsor a spouse into the UK under the scheme, and I believe the figure for Northern Ireland is 51%. We should move back to something similar to the previous criteria, which sought simply to ensure that a new spouse from outside the European economic area could be adequately supported without resort to public funds. We think that that is a sufficient protection. We should also end the strange rule that the prospective earnings of the non-EEA spouse are not taken into account when assessing visa applications. Many Members will have encountered cases where that is a significant problem for UK citizens who are stopped from bringing their husband or wife to the UK.

**Keith Vaz:** The bizarre application of the rule is that, if an EU citizen living in the UK wants to bring their spouse in from outside the EU, the £18,600 rule does not apply.

**Joanna Cherry:** Clearly there are anomalies between EU and non-EU migration, and that will always be the case while we remain a member of the EU, which my party hopes we do. I agree with the right hon. Gentleman. His example highlights the inequity of the rule.

In conclusion, there will be many debates ahead on immigration and many divergences of opinion across the Chamber, but the SNP will argue for an immigration system that is fit for purpose as far as Scotland is concerned. We will try to bring our experience to bear in arguing for a fairer system for the whole of the United Kingdom that respects human rights and our legal and moral obligations, not only towards our own citizens, but to citizens of the international community.

3.57 pm

**Mr David Hanson (Delyn) (Lab):** It is a pleasure to serve under your chairmanship, Sir Alan. I congratulate the hon. Member for Isle of Wight (Mr Turner) on securing the debate. He knows that we debated this subject long and hard in the previous Parliament, and that we will continue to debate it in this Parliament.

As the debate has shown, there is a complexity to the issue that is not necessarily apparent at first sight or when it is discussed in the wider context. Many points have been made today about the importance of Europe and the challenges that we face in Europe. Members have spoken about the strength of borders; about the need to ensure that we have a strong economy, and how that relies strongly on migration; about refugees; about family migration; and about how we manage migration as a whole. The contributions of all Members have shown the complexity of the issue, and I will touch on a few of their points in my comments on behalf of Her Majesty's Opposition.

I hope that the hon. Member for Isle of Wight will take this remark for what it is meant to be, but I do not agree with the basic tenet of his proposal that there was

some vast conspiracy by the Blair Government to swamp the United Kingdom with individuals from within the EU. I am proud to be part of a wider Europe, and it is important that we are. There are challenges with the free movement of people, but they go with being part of a wider Europe. In my constituency, we make the biggest and best aeroplanes in the world with the Airbus fleet. It is a joint French, Italian, Spanish, German and British scheme. There are Brits working in France, French people working in Spain, Spaniards working in Germany and Germans working in north Wales. Free movement facilitates that, and the free movement of capital in Europe gives us access to the free movement of people.

However, that is not to say that there are not challenges, and the hon. Gentleman is right to bring those challenges to the House. There are challenges when individuals are brought to this country and exploited. That is why we have pressed the Minister hard to enforce the minimum wage properly and treble the fines for not paying it; to look at extending gangmaster legislation to new areas in which people are being brought into the country and exploited; to ensure that there are minimum housing standards that are enforced properly and efficiently; and to ensure that we deal with the downward pressure on wages that is often the root cause of tensions, both in my constituency and elsewhere. In the past few weeks, I have knocked on doors in my constituency, and people are concerned about wages being forced down because people are able to come to the United Kingdom and offer themselves at a lower salary. Those challenges are real. I understand the tensions, and we should look at how to address them.

Just because I believe in free movement, that does not mean that I do not want to see changes. There are reasonable changes that can be made—the Prime Minister might or might not be able to negotiate them—to benefit entitlement for those who come to the United Kingdom. The right hon. Member for Cities of London and Westminster (Mark Field) made the same point. There are issues to consider related to when European citizens can claim child benefit and child tax credits, and how individuals who come to this country work here. Those are real and genuine concerns, but they do not override the fact that we are part of a wider Europe. We are party to free movement, and we have to accept that.

In a contribution that was as thoughtful as ever, the right hon. Gentleman highlighted some of the challenges of criminal behaviour. It is important that, as part of a wider European Union, we know about and can track people who have committed an offence outside our country, and on that basis decide whether we should prevent them from entering the country. If individuals from Europe commit offences in this country, we need a mechanism to allow us to remove them and monitor their movement. That is reasonable, but it does not put an end to the fact that there are still 1.6 million Britons who live outside the United Kingdom in Europe. We need only go to Spain to see a lot of Brits who do not assimilate. They speak English and enjoy the treats of UK society in parts of Spain. If that happened in this country, the hon. Member for Isle of Wight would have great concerns. We need to examine a range of challenges, but the principle of being part of Europe is important.

My right hon. Friend the Member for Leicester East (Keith Vaz) mentioned the right and proper need to ensure that immigration policy has strong borders at its heart. We need to be able to manage our borders in a strong and effective way. To return to a point made by the right hon. Member for Cities of London and Westminster, we need to know who comes into our country, when they are here and, crucially, when they have left. We have debated the matter on many occasions, and the Minister will have heard me say this before, but if I go to America, I have to fill in an ESTA—electronic system for travel authorisation—form. The Americans know when I have arrived and how long my visa lasts, and if I have not left America when it expires, I am flagged up as an overstayer. Should I overstay, they might not catch up with me for several weeks or months, but the principle is that they know that I have overstayed. We currently have no mechanism for showing us who has come from outside the European Union, how long their visa lasts, when it expires, and whether they have overstayed. It is crucial that we address border management.

I am pleased that my right hon. Friend the Member for Leicester East is going to Calais. I went last November and saw the difficulties there, which are the result of people trafficking and movement through Europe. The situation is difficult and challenging. I have said this to the Minister publicly before, and I have said it in the media more widely: we need to hold the French Government to greater account over what they are doing to ensure that they monitor and identify the people in Calais and either offer them refugee or asylum status or remove them, because they are not currently being managed effectively. The Dublin convention says that people need to be monitored, checked and removed, or offered status accordingly. We need to look at that.

As well as the issues of free movement, strong borders and the need for integrity in our borders, we need to consider something that was mentioned by my right hon. Friend the Member for Leicester East, the right hon. Member for Cities of London and Westminster and the hon. and learned Member for Edinburgh South West (Joanna Cherry): the impact of immigration and migration on our economy. I will use my constituency as an example. Vauxhall, an American-owned company, is close by, and sells cars to Europe. Toyota, a Japanese-owned company, makes cars and sells them to Europe. Airbus, the biggest aircraft manufacturer in the world, has a factory in my constituency. They are all global companies. Japanese staff are needed to help to develop the Toyota product. American staff deal with the Vauxhall product. French, German and Italian staff deal with the Airbus product. They are global companies in a global world.

We need to look at how migration works for the whole United Kingdom. The hon. Member for Isle of Wight talked about restricting migration from outside Europe. If a Japanese company wanted to establish itself in my constituency in north Wales by bringing over skilled Japanese managers and some workforce, which would help to employ perhaps 100 people who had roots in north Wales going back 100 years, would I put barriers in their way? Would I say that we did not want that investment in the United Kingdom? No, I do not think I would. I would want to look at how we could manage it. We need to manage things, because we cannot flood the United Kingdom with individuals

from elsewhere for ever—I share that concern with the hon. Gentleman—but integration with businesses outside Europe is currently managed, and there is a cap on the number of people who can come here. We have not reached that cap, but if we did, we would need to consider the needs of the UK economy and our skills shortages.

**Anne McLaughlin** (Glasgow North East) (SNP): The right hon. Gentleman talks about the need to cap numbers and to bring people in according to what the nation requires, but, as my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) pointed out earlier, there are four nations within the United Kingdom. Along with the Scottish Government, most of the Scottish Members in the House agree that we have very different immigration needs. How would the right hon. Gentleman deal with things differently for the constituent parts of the United Kingdom? Will he join us in asking the Government to support the Scottish Government's call to reintroduce the post-study work visa in Scotland?

**Mr Hanson:** I am grateful for that contribution. I recognise that we are still a united kingdom, and migration policy remains a non-devolved matter. We need to consider the economic and skills needs of the United Kingdom. Should we reach the cap, we would need to look at our skills needs. I recognise that there are a range of skills shortages in Scotland because of the age profile and for other reasons. That is important, and the Government should examine the situation, but as part of the immigration policy for the whole United Kingdom.

My right hon. Friend the Member for Leicester East and the hon. and learned Member for Edinburgh South West mentioned family migration. This morning, the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) and I were at an event at which the £18,600 limit for family migration was discussed. We heard of some heart-rending cases in which people's families have been split because of the Government's policy that an individual must earn that much in order to bring in their family in from outside the United Kingdom. I find that policy disturbing, because it is based on income. My constituents on the minimum wage or in low-paid work in north Wales cannot bring in their partner, but a person who happens to have a better income can. I ask the Minister to think about that. Perhaps we could at least commence the process of reviewing how the scheme is working after three years in operation, and perhaps we can look at some of the challenges related to the level of income required to bring a partner in from outside the UK.

**Anne McLaughlin:** Does the right hon. Gentleman agree that having a minimum income level of £18,600 clearly disadvantages those on low incomes, but that those on low incomes are more likely to be living outwith the south-east of England—in the north of England, Scotland or Wales? They are also more likely to be women, so it is prejudiced against women.

**Mr Hanson:** Indeed. The point was made this morning that in my constituency in north Wales, and in the north-west, the north-east, the west midlands and Scotland, there is a lower level of general income than in the south-east. People might have more disposable income



[Mr Hanson]

than in the south, because it can be argued that living costs are lower, so the income limit of £18,600 has a different impact in different parts of the United Kingdom. As the hon. Lady says, it has a particular impact on women and on young people who might not earn sufficient money at the start of their careers, but who may be in love with someone outside the United Kingdom. I will return at a future date to how we can review the £18,600 limit. I am not asking for a snap decision now. I simply want to plant in the Minister's mind the idea that we need to look at that as part of a wider migration strategy.

It is also important to revisit the Government's net migration target, which was set in 2010. They have missed that target every year and have missed it massively in the past year. I wonder whether the target is a useful tool. If everybody in this Chamber today left the United Kingdom, we would be contributing to the Government's process of meeting their net migration target. The target is evidently out of the Government's control, given the situation in Europe and the free movement of individuals who are UK citizens outside Europe.

If the Minister wants to keep a target, will he look again at the issue of students, which hon. Members have talked about? Students provide fees, good will, and economic spending. A student living in the constituency of the hon. and learned Member for Edinburgh South West and working at the University of Edinburgh will be putting money into the Edinburgh economy. They will go away from the United Kingdom with great thoughts of Edinburgh for ever and ever. They will want to return to Edinburgh, and one day may end up president of a country or chief executive of a company, and then they might come back and invest in Edinburgh or the City of London.

**Mark Field:** I have spent the past 10 years on the advisory board of a private college called the London School of Commerce. It is evident that in our elite universities, such as the ones in my constituency—Imperial, King's College London and the London School of Economics—certain postgraduate courses would simply not be sustainable without overseas students. Our indigenous postgraduates get the benefit of overseas students putting money into certain courses that otherwise would not exist.

**Mr Hanson:** I simply say that overseas students' good will, spending and fees are vital to our university economy. The inclusion of students in the net migration target shows that we are not willing to accept as many students as we could. I welcome the right hon. Gentleman's point.

There is a wide-ranging debate to be had about how we work in Europe, and we need to address economic issues such as benefit entitlement and working conditions. There is a need to strengthen our borders and track those who come to our country, but we need to ensure that we do not lose economic opportunities and dissuade students from coming. We need to play a full role in the global economy to ensure that we remain central in the world and maintain the UK's historical role of being open and tolerant towards people coming to the United Kingdom.

**Sir Alan Meale (in the Chair):** Before I call you to speak, Minister, may I remind you to allow a minute or two for Mr Turner to wind up the debate?

4.14 pm

**The Minister for Immigration (James Brokenshire):** I join other right hon. and hon. Members in congratulating my hon. Friend the Member for Isle of Wight (Mr Turner) on securing this afternoon's debate, which has been measured and wide-ranging and has underlined the concerns that our constituents have about migration. Although there is unlikely to be agreement between all parties, it is of benefit that we have had this afternoon's debate and been able to air points on a range of different themes to do with migration policies.

We have had a chance to consider various issues, including the pressures on public services and how we can ensure that we continue to attract the skilled and the talented, and the brightest and the best, to contribute to our economy. I note the comments of the right hon. Member for Leicester East (Keith Vaz) in using that terminology, but when we reflect on the past, we see that the operation of the immigration system has not always achieved that. Some of the routes intended for skilled migration have ended up being used for unskilled migration. That is why it is important to continue to have a resolute focus on abuse and to ensure that our immigration system meets the needs of our economy, but is also sustainable. My hon. Friend the Member for Isle of Wight fairly and rightly raised points about the pressures on public services and housing, and about other issues that our constituents raise and are concerned about.

Before I respond to the points that have been raised and the challenge that my hon. Friend posed at the start of the debate, I want to set out some of the changes and benefits that we have seen from provisions that the coalition Government introduced. Since the Immigration Act 2014 received Royal Assent, it has been implemented across Government at speed over the past 12 months. The Act makes it easier and faster to remove those who have no right to be here, and it restricts their access to our national health service, to bank accounts and to rented property.

Since the 2014 Act was introduced, we have revoked more than 10,000 driving licences belonging to illegal migrants; deported more than 1,000 foreign criminals who would previously have had the right to stay in this country for their appeal; implemented new powers in the west midlands to require private landlords to check the immigration status of new tenants or risk a civil penalty; and introduced the immigration health surcharge on 6 April as planned, which has already generated more than £20 million in net income for the NHS. We have also implemented a new referral and investigation scheme to tackle sham marriages. Since March 2015, when our new powers came into effect, we have made more than 230 arrests and removed 150 people from the UK.

It is worth focusing on the steps that we have taken on EU migration. Under the Labour Government, an EU national jobseeker could arrive in the UK and claim jobseeker's allowance, child benefit and housing benefit shortly after arrival, with few checks as to whether they had a genuine chance of finding a job in the UK. That has changed. Now, owing to the reforms we have introduced,

EU jobseekers cannot claim jobseeker's allowance, child benefit or child tax credit until they have been in the UK for three months. Then they cannot claim benefits for more than three months unless they can prove that they really have a genuine prospect of finding work here.

EU jobseekers cannot access housing benefit, and we have introduced a new test to check whether EU nationals who claim in-work benefits really have genuine employment here. We have toughened the habitual residence test, the gateway test that all migrants have to satisfy to access benefits. We have introduced tougher checks for the payment of child benefit and child tax credit to EU nationals, and we have issued statutory guidance to ensure that local authorities set a residency requirement for qualification for social housing.

In response to the points made by my right hon. Friend the Member for Cities of London and Westminster (Mark Field), we have introduced new powers to tackle abuse, so that EU nationals who do not meet the requirements of residence are removed and banned from coming back for 12 months unless they have a valid reason to be here. We can also remove and bar for 12 months EU nationals who facilitate sham marriages or the fraudulent acquisition of rights. I recognise my right hon. Friend's points, however. I am willing to meet him following the debate to talk through some of the challenges that Westminster clearly faces. I had some discussions before the general election, but I will be pleased to have more, because I recognise the challenges, and we can work together on some operational matters. I will be pleased to take things forward in that way.

We have touched on a number of themes to do with how the immigration system works. One was student migration and the tier 4 route through our points-based system for students to study in the UK. Five years ago the coalition Government found themselves in a situation in which people who could not speak English were coming here and going to bogus colleges. They were not coming here to study at all, so the system was being abused. Action by that Government led to more than 880 colleges losing their sponsorship. We tightened up on the evident abuse that was profoundly undermining the system, but we did so in a way that still allowed the numbers of those attending our universities from abroad to increase. The figures show a 16% increase in student visa applications for universities compared with 2010, and a 20% increase in visa applications for the Russell Group of universities.

It is also important to underline that there is no cap on the number of students coming into this country to our universities. Those numbers are reflected in our net migration statistics, because almost every other comparator nation uses the same set of measures as we do—there is not some disadvantage in adopting that approach—but it is important to recognise that net migration by the student route was 91,000 according to the latest Office for National Statistics figures, so there is an issue with students coming here and not going again.

**Anne McLaughlin:** The Minister says that there is no cap on the number of students, or on those who apply to come to universities here, but our point is about not allowing them to stay. If we say, "The minute you graduate, off you go, you can't come back again", and we do not allow them to stay and find work, they will

not want to come to this country in the first place, so we will lose some of the best possible talent that could be attracted to the country.

**James Brokenshire:** I thank the hon. Lady for her intervention and welcome her contribution to the debate. The Scottish Government have raised the issue of post-study work, which is the point that she is making. I have a number of observations about that. Student numbers continue to increase, notwithstanding the assertion that they might go down because of the changes we have introduced, and the UK remains open for study at our world-leading academic institutions.

As for post-study work, it is available through the tier 2 route. Students who find graduate employment may take up that route, in which case they are not counted against the cap. One of my challenges to many firms and businesses is, "What are you doing to harness that? What are you doing about working with universities and using the existing tier 2 provisions to make the most of graduates coming out of our universities?" There are ongoing discussions between my officials and the Scottish Government, and the Home Secretary will consider some advice and meet the Scottish Cabinet Secretary for Justice to discuss that and other shared matters of interest.

As for a separate arrangement for post-study work in Scotland, under the Fresh Talent scheme that operated until 2008, one of the issues that arose was that many international students granted entry under that route then chose to move to London and the south-east, rather than staying in Scotland. The issue needs to be considered with care, given the practical impact of some of the schemes.

**Mark Field:** Will the Minister give way?

**James Brokenshire:** I will give way briefly to my right hon. Friend, because this is a particular interest of his.

**Mark Field:** The Minister has summed up some of the difficulties that we face in getting a policy that works as intended for all parts of the United Kingdom. He came up with some robust statistics, but I have two small observations to make. First, he referred to the percentage increase in applications, which is not necessarily the number of students coming here. Secondly, we are lucky in many ways that we are seeing a phenomenal increase, an explosion, in the number of middle-class Chinese, Indians and the like, so we should expect a significant percentage increase in the number of students. However, the worry is that we are getting less of the percentage increase, while rather larger percentages are going to universities in Canada, Australia and the United States, for example.

**James Brokenshire:** I have only a couple of minutes left, but I am sure that we will return to the subject on another day. We have seen increases in the number of Chinese students, but I look forward to continuing the debate another time.

We will introduce a new immigration Bill to clamp down on illegal immigration and to protect our public services, ensuring that we have the right emphasis. The Bill will tighten up access to public services and protect them against abuse by people who are here illegally. It will build on the provisions in the Immigration Act 2014. The reforms will, for example, speed up the removal

[James Brokenshire]

process by extending the power to require individuals to leave the UK before bringing an appeal against a decision in all human rights cases, unless there is a real risk of serious, irreversible harm as a result of the overseas appeal. As I have indicated, that power is already making a significant difference.

Separately from that Bill, as the Prime Minister has said, we are going to get better at training our own people. To support that, we will consult on helping to fund businesses that use foreign labour through a new visa levy. That will address the skills issue, which a number of Members have touched on today. By improving the training of British workers, we should be able to lower the number of skilled workers we bring in from elsewhere. We have touched on the shortage occupation list, for example, which is set by the Migration Advisory Committee. I emphasise that a separate list applies in Scotland, reflecting some of the different circumstances. However, I draw Members' attention to the fact that we have asked the committee to advise on significantly reducing the level of economic migration from outside the EU—should an occupation always stay on the list? How can we reskill? Do we have a long-term, sustainable approach to the policy?

**Mr Turner** *rose*—

**James Brokenshire:** I only have one minute left if I am to give my hon. Friend some time at the end.

I note that the right hon. Member for Leicester East has indicated that the Home Affairs Committee will take evidence on the Mediterranean issue and that there will be separate consideration of the pressures at Calais, which we will no doubt discuss next week, so perhaps I

will save my comments for when I appear before the Committee. However, we are making a contribution in the Mediterranean to prevent those deaths. No doubt we will come back to the issue of resettlement. We believe that we are making a clear contribution through existing schemes and the vulnerable persons relocation scheme.

I emphasise that uncontrolled immigration makes it difficult to maintain social cohesion, puts pressure on public services and can drive down wages for people on low incomes. That is why our new immigration Bill and our EU renegotiations will control immigration. Our approach is based on being tougher, fairer and faster.

4.28 pm

**Mr Turner:** I want to raise two issues that I think I have mentioned already but which the Minister did not touch on in his response. First, what are we going to do to control immigration from within the European Community? How much of that will we do ourselves, and how much will be done on our behalf, but effectively? We do not want 120,000 people coming here unless everyone approves. I want to know more about that.

Secondly, I see that the cap on skilled economic migrants from outside Europe will be maintained at 20,700 during this Parliament. That means that 100,000 are being admitted who are not part of the skilled economic migration cap. What are their qualifications for coming to this country?

**Sir Alan Meale (in the Chair):** Order. The Minister will respond to that in writing—we have run out of time.

4.30 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*



# Written Statements

Thursday 9 July 2015

## COMMUNITIES AND LOCAL GOVERNMENT

### Neighbourhood Planning

**The Minister for Housing and Planning (Brandon Lewis):** On 10 July 2014, the former Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Grantham and Stamford (Nick Boles), amended for a period of 12 months the criteria for consideration of the recovery of planning appeals to include proposals for residential development over 10 units in areas where a qualifying body has submitted a neighbourhood plan proposal to the local planning authority or where a neighbourhood plan has been made, *Official Report*, column 24-25WS, and I am now extending that period for a further six months from today.

[HCWS90]

## ENVIRONMENT, FOOD AND RURAL AFFAIRS

### Agriculture and Fisheries Council

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** The next Agriculture and Fisheries Council will be on 13 July in Brussels. My hon. Friend, Minister of State for Farming, Food and Marine Environment (George Eustice), will represent the UK.

As the provisional agenda stands, the following items will be discussed.

There will be a state of play item on the proposals for a regulation on the aid scheme for the supply of fruit and vegetables, banana and milk in educational establishments, and a regulation on fixing certain aids and refunds related to the common organisation of the markets in agricultural products. There will be a presentation from the Commission, followed by an exchange of views, on the proposal for member states to restrict or prohibit the use of genetically modified food and feed on their territory. The Commission will also provide an update on market developments, taking into account the extension of the Russian import ban on EU agricultural products.

There are currently four confirmed any other business items:

Situation on the dairy market (requested by Czech Republic and Poland).

The future of the sugar sector in the EU (requested by Italy).  
Asia-Europe meeting (ASEM) on sustainable management and use of forests in policy and practice (requested by Slovenia).

Plant breeders' rights and the European Patent Office's decision (requested by the Netherlands).

[HCWS89]

## HOME DEPARTMENT

### Firearms and Taser Statistics

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** On 23 March 2015, the Home Secretary announced the suspension of the police use of Taser and police use of firearms statistical publications due to data quality concerns, which has previously resulted in incorrect data being published and reported to Parliament.

Following an internal review of the reporting process, officials, statisticians and the national armed policing secretariat carried out a data validation exercise together with forces to address these concerns. In addition, the Home Office chief statistician wrote to forces' commissioners/chief constables asking them to confirm figures for their force. The Home Office chief statistician is now satisfied that the figures provided by forces are of sufficient quality to publish.

I am today publishing official statistics on police use of firearms in England and Wales for 2013-14 (financial year) and on police use of Taser in England and Wales for 2014 (calendar year). This release also includes revisions to previously published figures and covers all 43 forces in England and Wales.

#### *Police use of firearms statistics 2013-14 (financial year)*

The police use of firearms release shows that:

There were 14,864 police firearms' operations in 2013-14. This represents a decrease of 4% compared with the previous year.

There were 12,061 police firearms' operations involving armed response vehicles (ARVs) in 2013-14. This represents a decrease of 4% compared with the previous year.

In 2013-14, 81% of police firearms' operations involved ARVs. The proportion has remained fairly stable in recent years.

There were 5,875 police firearms' officers at the end of March 2014. This represents a decrease of 4% compared with the previous year.

The police discharged firearms in two operations in 2013-14 (down from three operations in 2012-13).

#### *Police use of Taser statistics, 2014 (calendar year)*

The police use of Taser release shows that:

The police used Taser 10,062 times in 2014, representing a decrease of 3% (-318) compared with 2013.

Non-discharges accounted for 80% of Taser use in 2014.

Drive stun and angle-drive stun accounted for 3% of Taser use in 2014.

Fired accounted for 17% of Taser use in 2014.

Copies of both statistical publications will be placed in the Library of the House.

The full sets of commentary and data are published on gov.uk:

<https://www.gov.uk/government/collections/use-of-taser-statistics>

<https://www.gov.uk/government/collections/police-use-of-firearms-statistics>

At the black mental health and Home Office summit on 23 October 2014, the Home Secretary asked Chief Constable David Shaw to lead a review of the publication of Taser data and other use of force by police officers.

In a recent update on progress, Chief Constable David Shaw informed the Home Secretary that he has established a project team to lead the review with oversight provided by a programme board comprising representatives from key policing and other interested organisations. Early work is focused on finalising the scope and approach to the review, mapping the existing arrangements for recording the police use of force and identifying best practice. The review will consider the requirements for data on the police use of a range of actions including

physical restraint such as arm locks and pressure compliance, the use of batons and incapacitant sprays, the use of Tasers and lethal force. It will concentrate initially on higher end use of force and in particular where there may be issues around public confidence.

Chief Constable David Shaw will report his findings and recommendations to the Home Secretary towards the end of the year.

[HCWS91]

# Petition

*Thursday 9 July 2015*

## OBSERVATIONS

### COMMUNITIES AND LOCAL GOVERNMENT

#### **Protection of green spaces at Capstone Valley and areas around Otterham Quay Lane (Gillingham and Rainham)**

*The Petition of residents of Gillingham and Rainham,*

Declares that the Petitioners believe that the importance of Capstone Valley and the green lungs east of Rainham around Otterham Quay Lane should be protected from development.

The Petitioners therefore request that the House of Commons urges the Government to protect these much valued important green areas.

And the Petitioners remain, etc.—[Presented by Rehman Chishti, *Official Report*, 9 June 2015; Vol. 596, c. 1014]

[P001527]

*Observations from the Secretary of State for Communities and Local Government:*

Given my quasi-judicial role in the planning system I cannot comment on specific areas of land that are, or may be, subject to development proposals.

The Government's objectives for the planning system are set out in the National Planning Policy framework. Relevant policies in the framework will be a material consideration whenever a local planning authority is preparing its local plan or determining a planning application.

Where people are concerned to protect important green areas, the framework empowers communities to identify for special protection green areas that are demonstrably special to them and hold a particular local significance. This should be undertaken during the preparation of local and neighbourhood plans. Designation of land as local green space rules out new development there other than in very special circumstances.

One of the core principles of the framework is that planning decisions should take into account the different roles and character of different areas, and recognise the intrinsic character and beauty of the countryside. While, for example, national parks and areas of outstanding natural beauty quite rightly enjoy the highest degree of protection, outside of these designated areas the impact of development on the landscape can be an important material consideration. The achievement of sustainable development is at the heart of the framework and this requires that full account is taken of the environmental, as well as the economic and social dimensions of development.





# Ministerial Correction

*Thursday 9 July 2015*

## DEFENCE

### Britain and International Security

*The following is an extract from the speech made by the Secretary of State for Defence in the debate on Britain and International Security on 2 July 2015.*

**Michael Fallon:** Since September RAF planes, with the agreement of this House, have carried out nearly 1,000 missions in Iraq and 300 strikes against ISIL bases. Last month we sent another 125 troops to train Iraqi forces and help them counter roadside and vehicle-borne bombs. Our surveillance aircraft are already assisting other coalition countries with their operations over Syria, and British forces are helping to train the moderate Syrian opposition. Overall, we now have more than

900 British personnel in the region. Last year we spent £45 million in the fight against ISIL. This financial year we plan to spend at least £75 million.

*[Official Report, 2 July 2015, Vol. 597, c. 1670.]*

*Letter of correction from Michael Fallon:*

Errors have been identified in the speech I gave during the debate on Britain and International Security.

The correct statement should have been:

**Michael Fallon:** Since September RAF planes, with the agreement of this House, have carried out nearly 1,000 missions in Iraq and 300 strikes against ISIL bases. Last month **we announced that we would be sending up to** another 125 troops to train Iraqi forces and help them counter roadside and vehicle-borne bombs. Our surveillance aircraft are already assisting other coalition countries with their operations over Syria, and British forces are helping to train the moderate Syrian opposition. Overall, we **will have nearly** 900 British personnel in the region. Last year we spent £45 million in the fight against ISIL. This financial year we plan to spend at least £75 million.





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